

The Nation's Business



Published by the CHAMBER of COMMERCE
RIGGS BUILDING

of THE UNITED STATES of AMERICA
WASHINGTON, D. C.



DRAWN BY F. DEVITT WELSH

COASTWISE—CROSS-SEAS—ROUND THE WORLD AND BACK AGAIN

Who says Romance is dead! The tanker Richmond, towing a barge, with a combined dead weight capacity of 15,000 tons of oil, has just finished the longest tow on record—75,000 miles in 496 days. Round the world it was, San Francisco to New York, seven times to London and back,—fourteen times across the war zone dodging mines and submarines,—thence to Shanghai by way of the Cape of Good Hope, and back again to San Francisco. No stops were made between New York

and Singapore—14,000 miles. Once the 2-inch steel wire hawser parted but a messenger line was quickly shot across the bow of the barge and in an hour the "tramp" was renewed. The barge had no refrigerating machinery so the tanker supplied its meat, wrapping it in canvas and floating it to the barge on a stern line. After making a world's record she rolled home through the Golden Gate, living proof that the seafaring spirit of the days of the old Spanish Main have not passed away.



RIGGS BUILDING

U. S. TREASURY

Four and a Half Years of Development of the Chamber of Commerce of the United States

April, 1913— 326 Organizations in 43 States. No Individual Members.
 April, 1914— 549 Organizations in 47 States. 1954 Individual Members.
 April, 1915— 646 Organizations in 47 States. 2724 Individual Members.
 April, 1916— 737 Organizations in 48 States. 3490 Individual Members.
 October, 1916—822 Organizations in 48 States. 4428 Individual Members.

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You Do Believe in Fairies, Don't You?

AND MEN AND WOMEN EVERYWHERE JOINED THE CHILDREN
IN SHOUTING "YES" TO AN ANXIOUS, QUESTIONING PETER PAN

You Do Believe in Fairies in Business, Don't You?

THAT the real story of commerce and industry is as fascinating as any fairy tale once you get behind the dry matters-of-fact and see the dramatic contest going on there. For it is a contest and dramatic. There's the inciting force, the struggle, the obstruction, the obstruction overcome, the climax. All a contest, this game of business, cleanly played—except for the occasional mucker who fouls and brings it into disrepute for a day—a game calling at once for physical fitness, mental poise and capacity.

This is what inspires the October NATION'S BUSINESS to present to its readers this ever-present yet unfamiliar side of business. You'll recognize it in the shipping of an alarm clock to Kamchatka, teaching a nation to chew gum, furnishing ready fire to the millions, overcoming a people's prejudice against "store clothes", wresting from the jungle a food for rich and poor,—and so on to the back cover.

COMING IN NOVEMBER?

President Ripley, grand old man of the Santa Fe, will tell of the romance he has found in railroading.

A Community's Health: The Silent Partner of Business, by the man who first suggested swatting the fly, the roller towel and the neighborhood drinking cup.

Secretary of War Baker will discuss the plan set forth in THE NATION'S BUSINESS for utilizing the State Universities for training army officers.

The account of a city that is building 1,000 homes for its workers, reported by Bristow Adams.

"The City That was Courteous," being a tale narrated in pleasing fashion by Ralph H. Faxon.

Another companion piece to the dramatic story of steel.

Another delightful, philosophical, human interest sketch of a "man you know—and don't!" by Mr. Morrow.

And many others. Of course, all this in addition to the regular departments you'd expect in "A Monthly Magazine for Business Men."

A TIP

A good many of our readers are having the Nation's Business sent to their home address.

But what we started out to say 'way back in the beginning was this.

If you really do believe there are fairies in business.

If you approve of the effort of The Nation's Business to bring out the romance in commerce and industry, always emphasizing its professional aspect,

If you have a friend you think would enjoy the magazine, why

Send us his name and we'll mail him with your compliments a copy of this number (while they last). Better still, authorize it and we'll send THE NATION'S BUSINESS to his library table for a year.

Or, if the mood seizes you, give us the names of two of your friends, or three, or, as was remarked on an historic occasion, "darn nigh all of them." We'll do the rest.

Toss this to your secretary today to clip and mail to

THE NATION'S BUSINESS

Riggs Building, Washington, D. C.

Please send {a copy
a year's subscription} to my friend,

ADDRESS _____

SIGNED _____

ADDRESS _____

THE NATION'S BUSINESS

A MONTHLY MAGAZINE FOR BUSINESS MEN

*Published by the Chamber of Commerce of the United States of America,
Riggs Building, Washington, D. C.*

MERLE THORPE *Editor*

ROBERT D. HEINL *Associate Editor*

SUBSCRIPTION PRICE, ONE DOLLAR A YEAR, TEN CENTS A COPY

THE NATION'S BUSINESS is the monthly publication of the Chamber of Commerce of the United States of America and, as such, carries authoritative notices and articles in regard to the activities of the Chamber, its Board of Directors and Committees. In all other respects it is a magazine for business men and the Chamber is not responsible for the contents of the articles or for the opinions to which expression is given.

WASHINGTON, OCTOBER, 1916

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Entered as second-class matter, February 18, 1913, at the Postoffice at Washington, D. C., under act of March 3, 1879

THE NATION'S BUSINESS



VOLUME FOUR

A Magazine for Business Men

WASHINGTON, OCTOBER, 1916

NUMBER TEN



Selling an Alarm Clock to an Awakening Orient

A Chicago Firm Finds Profit in Filling Small Orders for the Other Side of the World

DECORATIONS BY H. DEVITT WELSH

WHAT could be more unhappy than to begin a story with the uninspiring, unimaginative words "a government bulletin?" Yet it was a government bulletin that started the whole matter and so to keep the chronological record straight—

A government bulletin not long ago carried a single paragraph to the effect that the women of Bolivia were buying clothes and food and household appliances from mail-order catalogues of French department stores. Only the dignified government bulletin didn't say "department stores"; it called them "universal providers!" Maybe that's why the item stuck; anyway whenever the question of export trade was brought up by an ambitious American merchant, came then the picture of a Bolivian debutante ordering a fall hat from a fat catalogue direct from the Louvre.

One think led to another until a visit to the export department of a large mail-order house in Chicago showed that Yankee "universal providers" were also getting their catalogues read 'round the

world and as a result are shipping fly-traps, mop-sticks, castor oil and fall hats to the four corners.

From one spot on the shipping floor the visitor

could see cases marked for Sidney, Sitka, Singapore, Seoul, Tsingtao, Rangoon, San Juan, Iloilo and Apia, not to mention Bandjermasin. One single shipment of 52,000 pounds was going to a mission hospital in Korea, and included a complete outfit for a light-

ing, heating, water supply, plumbing, and sewerage disposal plant. The order amounted to \$3,000; the freight came to \$800—after \$200 had been clipped by the re-routing of a vigilant shipping clerk—and there was an item of \$10 for war risk insurance! It is doubtful if any "universal provider" in France, Germany, or England would show a more complete map of the world than the labels on the various boxes, each packed in its own peculiar way. In one group of merchandise ready for shipment were some steel wheels such as are used in Asia for hauling teak out of the jungle, while right beside them were perhaps eight or ten dozen packages of American canned goods going to

CATALOGUE and postage stamp have had as real a place in the foreign trade of England, France, and Germany as foreign loans and ten-thousand-ton steamers. Through the mail-order book, priced and illustrated, the styles of Paris, the modes of Piccadilly, and Leipzig's books have got into the most unexpected corners of the earth. That the U. S. is now doing its share in supplying the needs of civilization in localities where millinery shops and "kitchen departments" have no place in the economics of distribution, is shown here.—Editor.



Photograph of a section of the shipping floor showing American goods ready to start to the four corners of the earth.



This is the lady; she takes a look at the clock she wants in the Yan Kee book.

round out the rhetorical allusion it must be said that there is a standing order from another government for 5,000 pounds of real chicken feed every three months.

Surely in this Chicago house, whose export business runs into six figures yearly, and whose August business this year was better by 7 per cent than that of August, 1915, could be found an answer to the vexatious and insistent question of so many American business men: How can I go about it to build up an export trade, one of those satisfying, stabilizing export trades you read about?

But, it might be said, a mail-order catalogue business is "something else again" from the usual export trade. It is a cash with order proposition. Our problems are different.

Granted, however, that the problems of the usual export business are not the same *species* as those of the mail-order houses, yet, they belong to the same *genus*. Doubtless each business has, and always will have its individual problems, yet some are typical of all, and may be the export manager of this Chicago "universal provider" will tell us how he meets, and has met, some of these same typical difficulties.

LADIES and Gentlemen, Mr. M. D. Howell, export manager of Montgomery Ward and Co., Chicago! To see Manager Howell at his desk, fondly following a bag of sugar across the Pacific to Nagasaki, or a croquet set to a missionary in India, or a washing-machine to

Africa, next to a Bible destined for India, tennis racquets for Manila, and six or eight bottles of chemicals for South America.

Nor were the bulk of the orders small "chicken-feed;" here was one for 3,000 cases of condensed milk at \$3.75 a case, a dozen kitchen ranges to a colonial government, and just to

Madagascar, is to get a glimpse of the romance of business. A glimpse is all that is allowed to most of us; to the chosen who get inside the holy of holies, all industry sloughs off the moil and sweat and hard lines of bitter warfare and assumes a poetry in which clean-limbed, clear-eyed youths enter the lists in joyous and joyful struggle. Dramatic poetry, it is, too; poetry in which the tears of tragedy come close to the laughter of comedy. And sometimes it becomes religious poetry. . . . Manager Howell believes there is something of religion in his side of the work—that of feeding and clothing and equipping men and women 12,000 miles away from his desk as the crow flies. There's the very essence of romance for you!

"Exporting merchandise is simply a question of supply, demand, and transportation," says Mr. Howell. "Find out what you have that people in foreign lands want, or find out what people in foreign lands want. Then sell it to them, pack it right and ship it right."

Mr. Howell began years ago to send catalogues to all parts of the world, to anyone whose name he could get hold of. He used the domestic catalogue, inserting a few pages written in the language of the country to which they were to be sent. When the orders came he looked up the place on the map, and before packing the goods



This is the packer who wraps with care the clock for its journey, here to there.

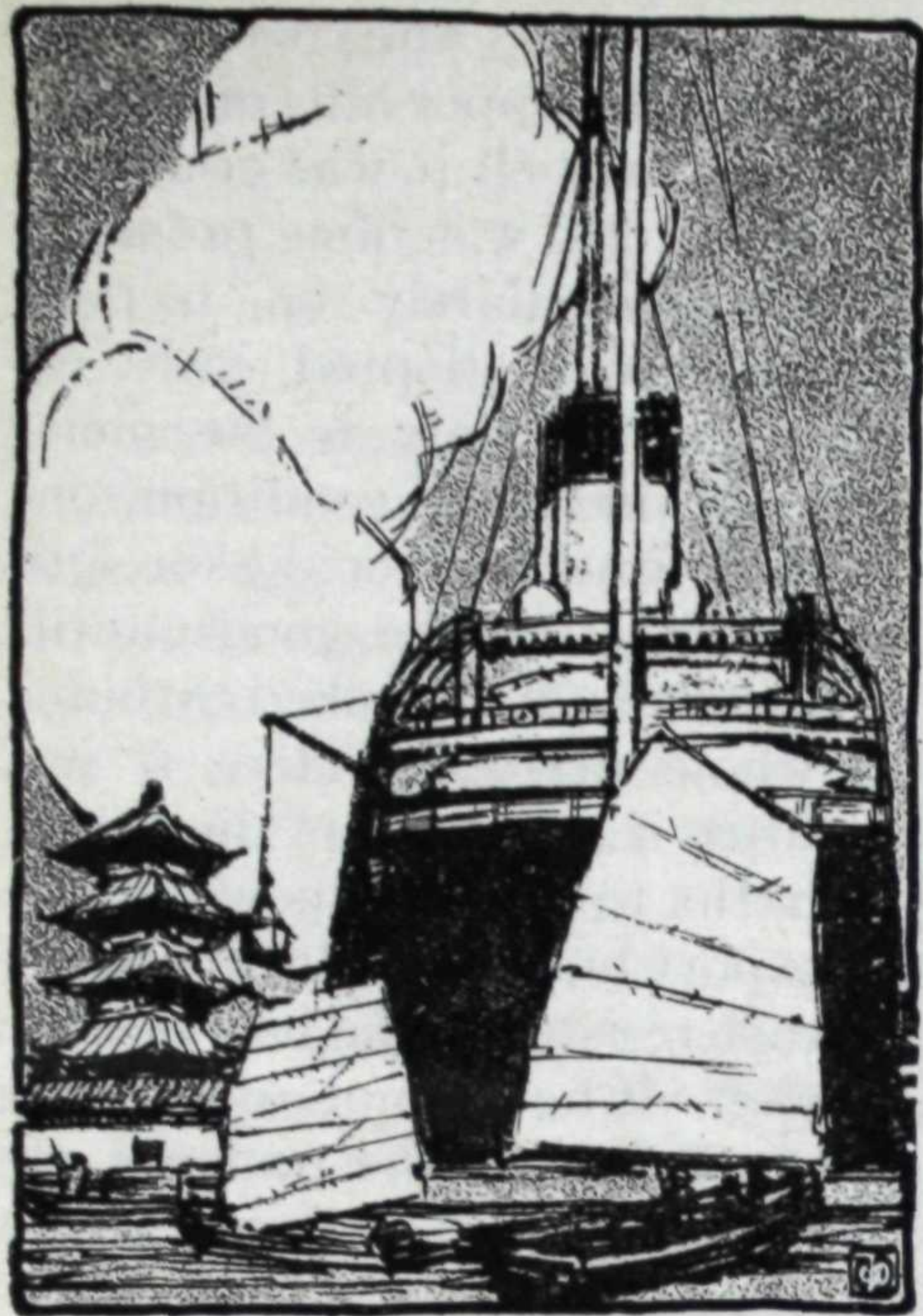
charted the entire distances to be traversed and determined what the method of carrying was to be. But let Mr. Howell tell it:

"We have had to study our shipments from such angles as these: At any stage of the journey is the merchandise to be carried on human or other backs? Is it to be exposed to rain, or unusual heat? If it is to be carried part way by carrier or mule-back, what sort of package or carton is required to conform to the custom of the native carriers?"



This is the truck that delivers the clock to the cargo port where big ships dock.





This is the case as it's lowered away to the lighter-boats in a Nippon bay.

upon a specific or a net or a legal basis?

"The would be exporter must make up his mind to a few things. Either he must himself, or he must have someone for him, make a careful study of the conditions surrounding the transportation of his product from the mill to the consumer, so that every step of the journey is foreseen, just as every step of the journey from his mill to the customer in Nebraska is foreseen. If Mr. Manufacturer is too much engrossed in large affairs to get down to details like this, he must hire someone to do it. Some men who intend to embark in the export business in a small way and learn as they go along, have picked out their sons, or other permanent attaches of their establishments, to pursue such studies as orders received from time to time suggest. If he wants to go into it in a large way, he must employ an expert from the start and when he employs him, must give him full swing. Many concerns have failed in foreign trade, either because they expected quick results, which are impossible, or they hampered their foreign men by obliging them to explain everything they did to people who had not developed in the proper atmosphere."

Americans are apt to be impatient. They do not like to make a careful study before they start out; rather they are inclined to take a chance and see what happens. Such a policy, Mr. Howell thinks, will kill any export department.

For we cannot become a great exporting nation in a day. A manufacturer can't wake up some bright sun-

Is it to be landed outside the bar or at the pier. If it is to go part of the way by rail, is the freight reckoned on a weight or by a measurement basis. What kind of information is required at the foreign custom house before that shipment is allowed entrance in the country? Will the foreign duty be levied

shiny morning in late December and say to himself, "Well, it's getting near the first of the year, guess I'll sell my line of gas ranges and folding beds in South America next year. Great idea! I'll start right away. Let's see. There is a boat sailing for some place in South America next Tuesday. I'll send Wilkins down with a shipment of \$5,000 as a starter."

It can't be done—not just like that. If it was tried that way, the manufacturer would lose his enthusiasm for foreign trade and Wilkins would probably lose his reputation as a salesman.

FROM your experience, what advice would you give a Fort Wayne manufacturer who wished to embark in foreign trade?" Mr. Howell was asked.

"The export business is a business of detail. No detail may be neglected. The first thing I would advise your Fort Wayne friend to do, is to write the Bureau of Foreign and Domestic Commerce for the names of such periodicals, books, which bear upon the particular product that he wishes to export, and upon the country to which he is thinking of exporting it. The Bureau will probably suggest enough stuff to keep him busy for sometime. Then let him subscribe to the export periodicals and join the national export associations and through their secretaries get



This is the courier, clock in hand—the last relay in a foreign land.

in touch with such foreign trade activities as they may suggest."

Mr. Howell thinks that after the Fort Wayne man has completed this preliminary training, he will be ready to determine whether he wants to go about things in a small way, experimenting and learning, or whether he wants to hire a competent exporter and start out in a big way.

"There are all kinds of brokers, forwarders, exporting houses, commission houses that can be used more or less



These are the children; their rising bell will sound as we hear the curfew's knell.



by a concern in the export trade, but how to discriminate between these various agencies requires experience, just as any other business does.

There is no easy road to success in exporting, any more than there is in any other line of business. Exporting merchandise is a business in itself. It is a man's job, and when a man has learned his business, he is fitted for the job. Unless he has learned his business, he is no more fitted to run an export department than he would be to run a bank, for instance.

"Most of the small manufacturers in the United States who embark in foreign trade, simply make asses of themselves. Why? Because they really do not know anything except to manufacture, each one his own particular product. Transportation in this country is so systematized that all that is necessary for the average manufacturer to do is to take his box or package to the nearest freight station and let the railroad company do the rest. In the export business somebody in the plant must be able to visualize every step from the factory to the consumer in each foreign land. Not only this, but he must be able to put himself in the foreign consumer's place. He must also stand ready to guarantee absolute satisfaction to each customer."

Here, then, it seems fitting to tell the story of a church bell that Mr. Howell's house shipped to India. The bell cost \$9.00, the transportation \$25.00. The last stage

of the journey occupied two weeks, the bell being carried on the back of a man into the upper hills of India. When the missionary unpacked the bell it was cracked. One thing only was to be done and that was done promptly. A new bell was shipped immediately on receipt of the complaint. This policy was adopted early in the history of the company: Not only is the merchandise guaranteed to arrive in good condition on board ship at New York, or San Francisco, or the foreign port, but the house is responsible for the goods until they reach the customer's home and are unpacked by him.

The conclusion of the whole matter? Here it is:

If a man wants quick returns, if his board of directors gives him seven or eight months to make a showing, he had better keep out of the export business. If he wants to work along the lines of least resistance, he had better keep out of the export business. If he has not an infinite capacity for taking pains, coupled with the patience of Job, he had better keep out of the export business.

But if he is a man who enjoys doing things that everybody else passes up; if he, as a boy, split the knots in the wood pile, and the harder the knot the more sure he was to split it, the export field is enticing. It constantly offers problems that are well worth any man's time. There is nothing hum-drum or monotonous about it. No two orders are alike; it is impossible to apply to it the usual scientific and automatic aids to business.

We Have With Us Tonight—

GUESTS at a dinner given by the American Chamber of Commerce of China, to American Minister Paul S. Reinsch, at the Palace Hotel, Shanghai, are shown in the

more than a year ago to foster and protect the interests of American commerce and promote trade between this country and China, entered immediately upon the strenuous



© WORLD-WIDE PHOTO CO.

picture.
The American Chamber of Commerce of China which was organized little

task of straightening out certain trade difficulties brought about by the European war. It is now able to take up the broader phases of extending American business among the 400,000,000 Chinese people.

All the American consuls at the treaty ports are honorary members and are heartily cooperating with the Chamber. The organization has already enrolled every American firm of standing in China and practically all individuals who are eligible. Besides, it has just established a non-resident membership for American firms and individuals interested in doing business in China.

A Club to Cement National Friendships

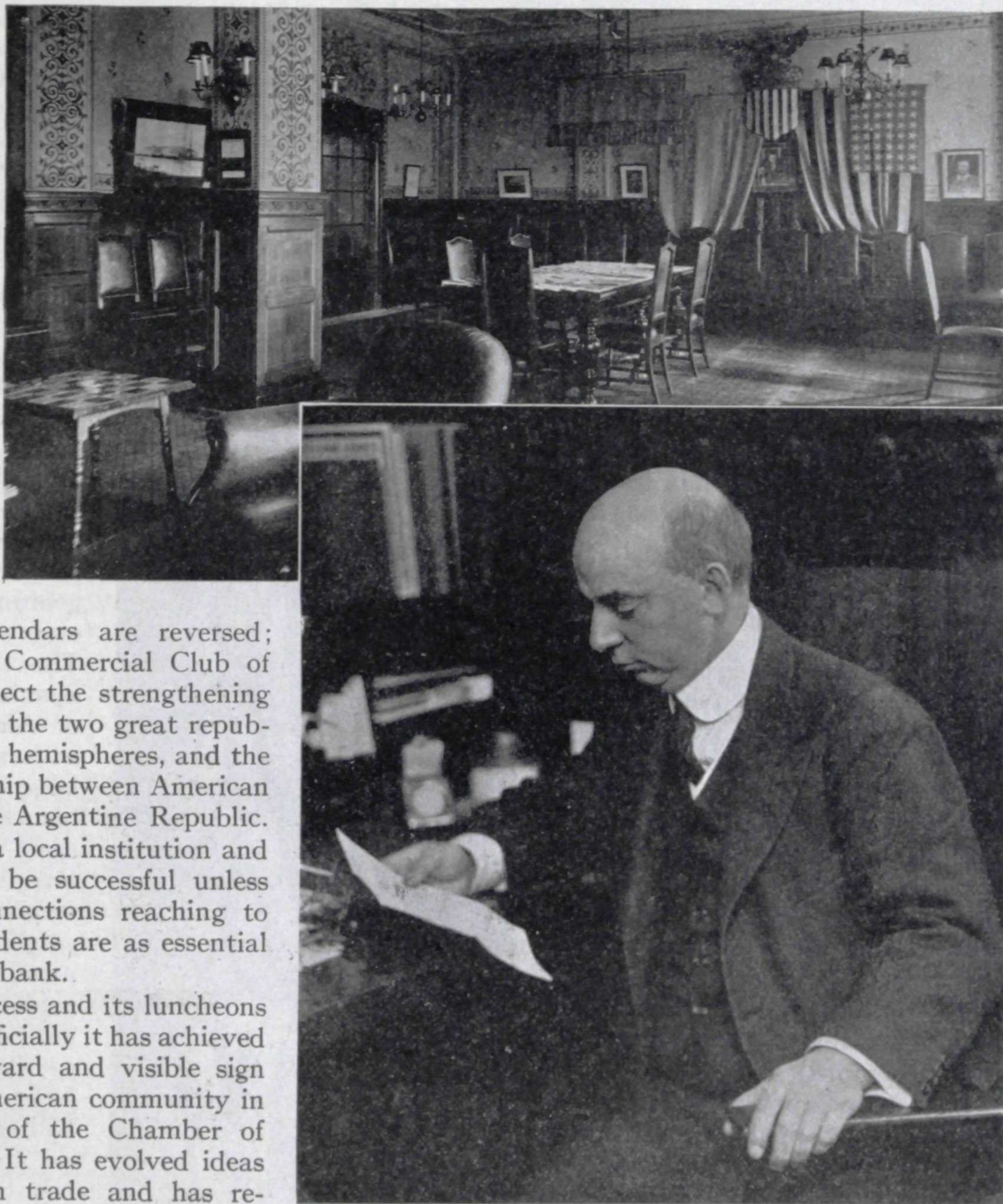
A Social Club, That Is, One Organized to Strengthen the Bonds of Commerce
Between Two Great Republics of the Americas

IT was a bleak late afternoon on the twenty-sixth of July, and there was promise of a cold winter night. But the club room was cozy, and Lawrence was moving about in his accustomed noiseless and effective manner in looking after the creature comforts of those who were reading the magazines, smoking, or engaged in conversation. The bitter cold July weather had no effect in the rosy and cozy club interior.

Yes, it was July, of the present year; and it was raw and cold outside of this American club in the Plaza Hotel. But wait a minute! This American club is far south of the equator, where seasons and calendars are reversed; to be exact, it is the American Commercial Club of Buenos Aires, which has as its object the strengthening of the bonds of commerce between the two great republics of the northern and southern hemispheres, and the strengthening of the ties of friendship between American citizens engaged in business in the Argentine Republic.

The club aims to be more than a local institution and its members realize that it cannot be successful unless it is truly international with connections reaching to all parts of the earth. Correspondents are as essential to its existence as to that of a bank.

Socially the club has been a success and its luncheons have been exceedingly popular. Officially it has achieved the distinction of being the outward and visible sign of the business interests of the American community in Buenos Aires. It is a member of the Chamber of Commerce of the United States. It has evolved ideas for the development of American trade and has removed obstructions which stood in the way of that development. One of the outstanding single pieces of work has been the organization of index files of American trade represented in its membership, including an agency file, a goods file, and a professional file, the name of each being fairly descriptive of its purposes. The agency file is a list of American business houses with their local representatives; the goods file gives the commodities represented, with the name of the seller; and the professional file catalogs those who are doing something for American interests though not engaged directly in commerce—as architects, engineers, dentists, physicians, and the like. These index files are at the service of every one, and are being used freely not only by the club members but by the general public. Further the club has had brought to its attention several cases of “unfair trade,” which have been settled in a way to uphold America’s good name for commercial integrity. In short the whole effort has been to maintain at all



A glimpse of the reading room, and Sutherland R. Haxtun, the club's efficient secretary

times the standard of business honor in international trade, which has characterized American domestic commerce.

The present officers are: James A. Wheatley, president; Louis E. Young, first vice-president; W. J. Pilant, second vice-president; Alfred J. Eichler, honorary secretary; Sutherland R. Haxtun, secretary; Richards T. Brooks, treasurer; Ellis H. Hampton, Hanford E. Finney, George G. Cobean, Stanley D. Allchin, directors; and George G. Cobean, national councillor.

The club, essentially American, even when Christmas is at its hottest, tries to combine the best in the social and business ideals of the nation from which it derives its interests and its name, and works to exemplify in practical workaday life, the true spirit of American idealism.

Building Commerce on Our Taste for Bananas

Subduing Tropical Forests, Developing New Communities, and Launching Great Argosies
in the Work of Giving Americans the Cheapest Fruit They Eat

By BRISTOW ADAMS

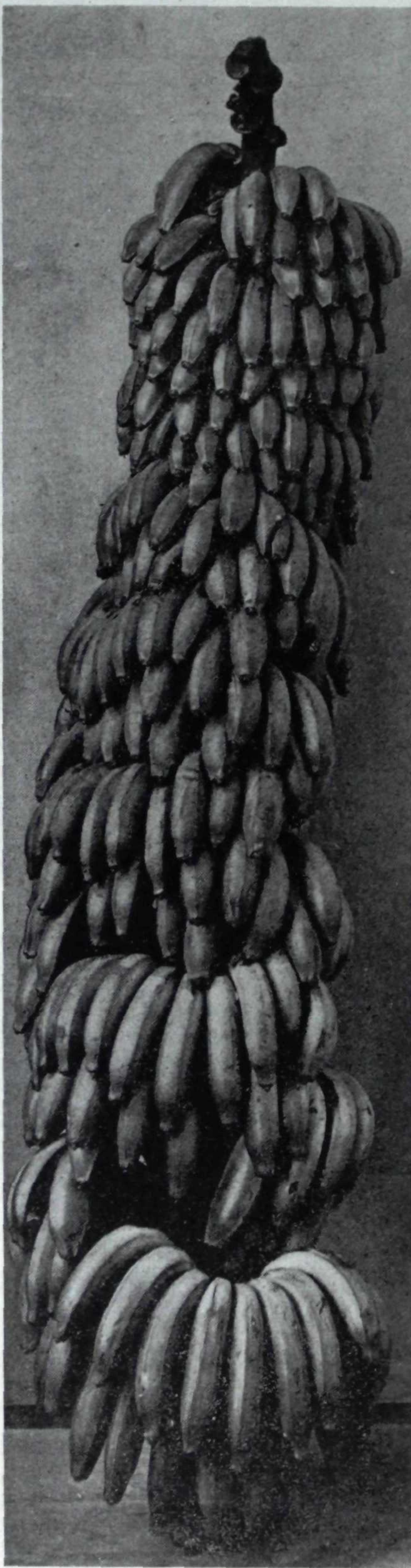
THE fishes have a press agent, who, not so long ago, offered the following toast—"The oyster; the only food which has not gone up in price!" In these days of the h. c. of l. with War Prices as an "added extra"—in the phrase of the vaudeville program—this toast was taken up and repeated by the newspapers from coast to coast. They knew a good line when they saw it; so did the fishes' press agent.

But here we go the oyster one better, and propose a toast to the one food which has been consistently lowered in price, a food which is eaten by the humblest and the highest. It can be bought by the child in the slums for a copper cent, and it can be purchased by Milady when her electric coupé stops before a shop which deals only in luxuries. To both it comes in a germ proof package, provided by nature, and to both it brings a highly nutrient food with a distinct and attractive flavor.

We refer to the fruit known to the scientist as *Musa paradisiaca*, or *Musa sapientum*—fruit of paradise, or fruit of knowledge—both of which names lead to conjectures as to whether it was this delectable creation with which Adam was tempted, and was translated into English as "apple," when a more literal rendering might have named the tropical delicacy known everywhere as the banana.

The present status of the banana is the result of one of the greatest romances of business, by which a comparatively unknown exotic luxury has been made a staple. Those who had vision, had courage and industry to make their dreams come true; persons who can do that are poets as well as business men—seers and financiers. Forty years ago the banana was a rarity, thirty years ago it was a luxury, ten years ago it was a commodity; today it has an established place in the dietary of rich and poor alike, just as the potato has.

THERE'S a sort of fairy-tale current that the banana in its native haunts is quite different from the one



Here is the bunch of bananas which broke the record. It measures twenty-two "hands," higher than your front door, and contains—how many did you say?—No, guess again. An even three hundred. It is one of the 50,000,000 bunches that were eaten in this country in 1913.

we get, which is picked green and shipped some thousands of miles before it ripens. Even the natives do not let the banana ripen on the tree, for the same reason that we don't let tomatoes and pears ripen on the parent stem. They split and disintegrate, for nature is intent only on ripening seeds, and not in making a pulp especially fit for man's use.

Another yarn is to the effect that the native can go out anywhere and find a meal of bananas awaiting him, among the wild tangles of the virgin tropic forest. Not so! The edible banana is just as much a development as the edible apple, whose wild progenitor was an astringent, bitter little crab with scarcely a claim to edibility. The banana was introduced by the Spanish, and came originally from Asia or Africa. It must not be confused with the plantain which looks like a large banana, but there the resemblance ends. The plantain has not the same flavor or texture, and is purely a vegetable in its uses, while the banana is primarily a fruit. The plantain is going to find a place in the American menu before long, though it will scarcely gain the indispensability it has in the native diet. The Latin-American countries would not grow many bananas for home use; the people of the United States eat ten times as many as are consumed in the producing countries.

Of course, there are all sorts and conditions of bananas; plant-breeding experiments for size, hardness, flavor, and shipping qualities will doubtless originate many more. The so-called "dwarf Chinese banana" comes from the Canary Islands. The common one of commerce grows to its highest perfection in Jamaica, and is known as "Gros Michel"—or, in rough-and-ready translation, as "Big Mike." Red bananas were once very popular and in the beginnings of the trade had "the edge" on their yellow cousins. Many persons preferred the flavor of the claret-colored ones, but the individual red bananas do not cling to the stems, and that has greatly militated against their export.

LEAVING out sporadic importations, the first banana import business of any consequence as having a bearing on the great commerce of today, was when Andrew W. Preston, then a fruit merchant in Boston, got some business associates to join him in creating a demand for bananas. They knew they could not develop that demand at fancy prices. Their idea was to make small prices on enormous sales, and this idea has been held consistently ever since. The present unit of profit on each banana is such a small fraction of a cent that it seems infinitesimal. Yet it has been said that the United Fruit Company, the chief organization in the banana trade, is the "greatest agricultural enterprise in the world" because it gets its product to the consumer with so little loss in unnecessary leaks through unnecessary middlemen, and because it developed a well-rounded enterprise in farming and in disposing of the farm products. Growing, standardizing, and marketing have been equally well worked out.

One of the factors of success was the elimination of the element of risk, or of luck. A given district would produce well for a time; then would come droughts or floods, earthquakes or hurricanes, railroad washouts or revolutions. Concentration and specialization, usually the keystones of success elsewhere, were fatal in the banana business, and it was necessary to have many centers of production and of consumption. The lean years of one place had to be counteracted with periods of plenty in another. This meant the development of the banana country, most of which was pestilential



Mules bring the bunches from the cutters to the banana piles beside the track of the railroad which carries them on down to the coast and the waiting fruit steamer.



With a spade-like spear the trunk is cut so that it bends over with the weight of the bunch of fruit which is lopped off by a machete.

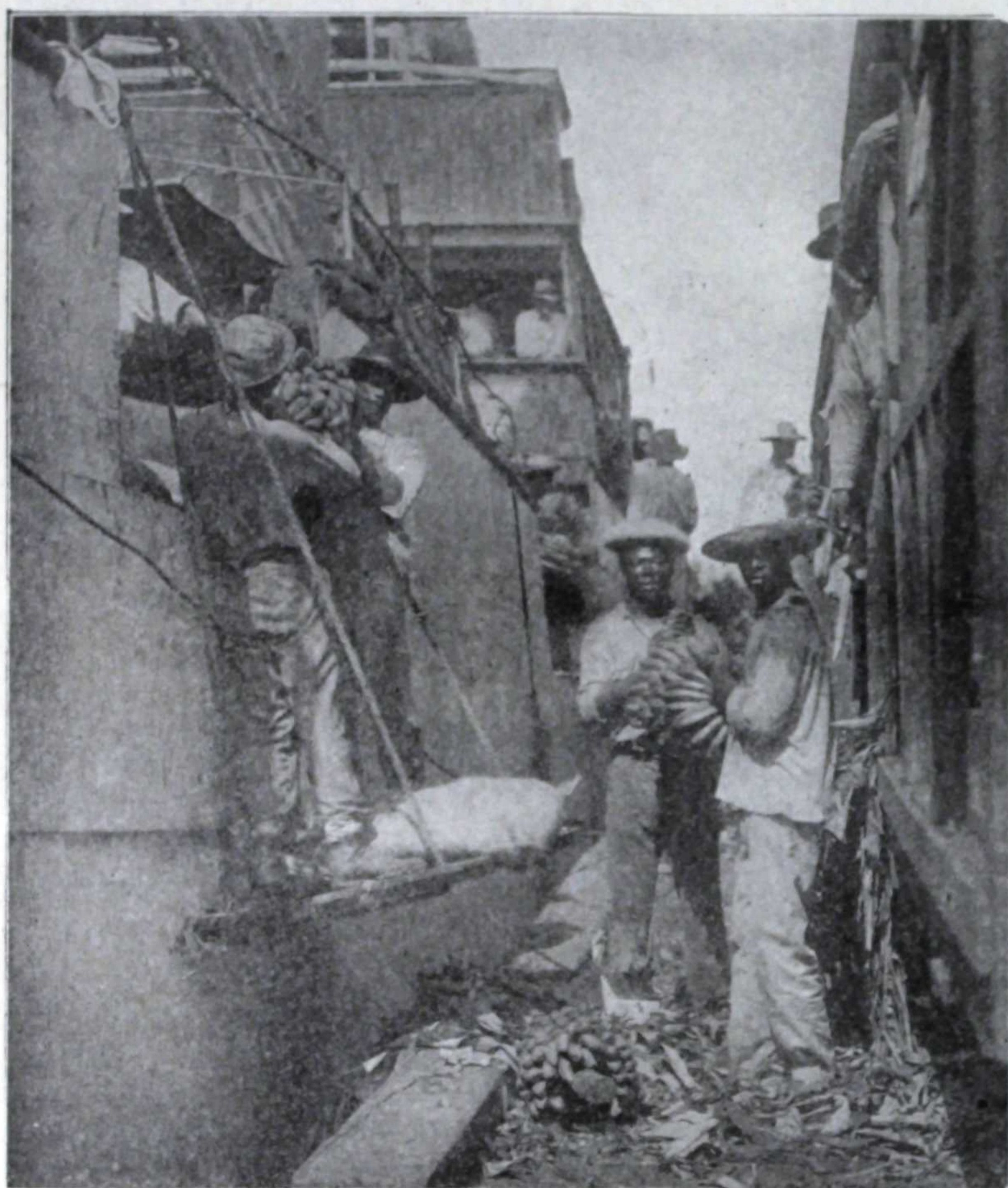
and fever ridden, full of venomous insects and noxious vapors. Railroads had to be built, forests cleared, swamps drained; it was a pioneer labor and worthy of the best traditions of American fortitude and perseverance.

RAILROAD building was well-nigh impossible, but a young American engineer, Minor C. Keith, then only twenty-three, tackled the job with skill and courage. The risks and hardships he and his brothers overcame can be guessed when it is known that the first twenty-five miles of their Costa Rican railroad cost the lives of 4,000 men, with an average working force of about 1,500. The laborers were the Jamaican negroes, who furnish the bulk of the labor in the banana districts today. At one time there was no money to insure a continuance of pay for the small army of 1,500, and Keith called them together and explained the situation, offering to pay off in full and transport back to Jamaica those who felt they could not stick it out until more money was coming. They decided to stick. Six months passed, and still no pay. He called the laborers together again, and they were unanimous in their allegiance to their boss who "would make good." At the end of nine months capital came to his aid and the men were paid in full with a bonus.

Here was another romance, and a tribute to a mere business man such as is rarely given even to a military leader, when there are added motives of patriotism. His

railroad was nineteen years in penetrating the one hundred miles from the Coast to Costa Rica's capital, San Jose. Every mile met a new difficulty, and through it all he saw the insistent problem of getting some article of freight for the railroad to carry. Mr. Keith realized, too, that this commodity had to come out of the jungle; that is what started him to planting bananas and led to his identification with the industry, his first exports going to New Orleans in the seventies. Today Andrew W. Preston and Minor C. Keith are president and vice-president of the great company which grew out of their early efforts.

THE banana trade was steadily mounting. Production was not keeping up with the demand. In 1898 the imports were twelve million bunches, the total product available. In 1913 it had risen to fifty

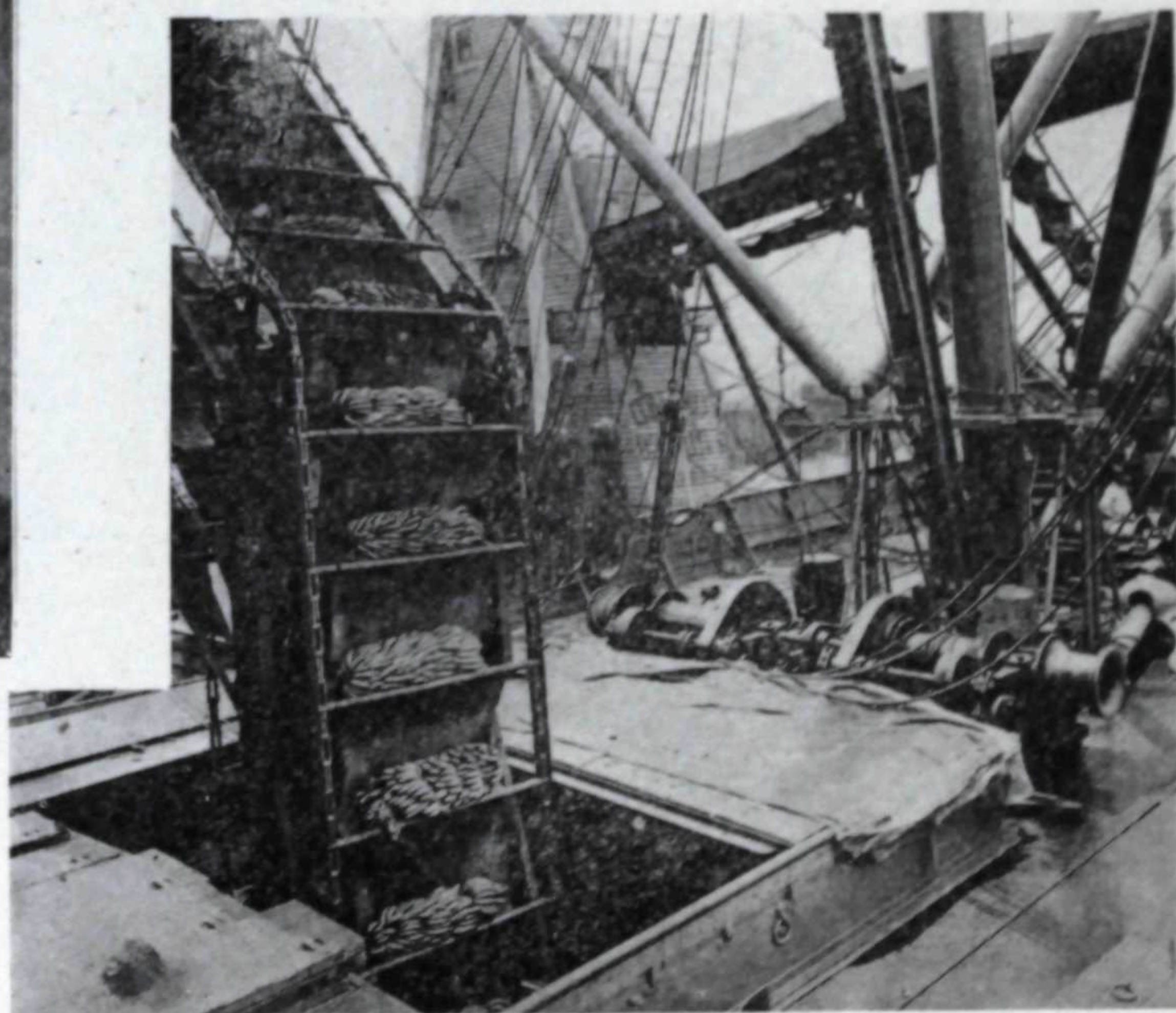


Handling bananas on train and ship; the picture just above shows the old hand method of loading, while the lower one gives a glimpse of the modern banana conveyor reaching down into the hold of a vessel. In the uppermost picture Jamaica negresses, in steady procession, carry the fruit from freight car to waiting steamer.

million—all that were raised; and today the same problem is to raise more. The people of this country like bananas—which is exceptional as to tropic fruits in general—since most of us find other such products too insipid, or too “sickish-sweet.” We also will continue to take them in unlimited quantities as long as they come as cheap as, or cheaper than, domestic fruits—apples, pears, peaches, and oranges. But quantity couldn't be assured without widespread producing areas, which through the law of averages, would insure a crop somewhere else when local disaster ruined



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a local crop. The logical solution was to provide these scattered sources through a consolidation, so that crop failures in one district could be shared by production elsewhere. The Preston and Keith interests found that their great advantage lay in a coöperation between the former's organization for marketing and distribution, and the latter's productive areas. A lot of small companies could gamble in banana production, and the public had to pay gambling losses when crops went bad

and prices were high. But big scale operations were necessary to a stable industry and consequent low prices. The United Fruit Company grew naturally out of this need, and its incorporation in 1899 was the real birth of the banana industry, after some three decades of experiment and vicissitude.

Now the company has its plantations and its transportation facilities. The cold facts of the annual report to the stockholders show banana and sugar lands and crops, a wonderful fleet of special steamers, and an increasing freight and passenger traffic. There are lands, live stock, railways, wharves, mills, and stores in Colombia, Costa Rica, Cuba, Guatemala, Honduras, Jamaica, Panama, and the Canary Islands. The lands amount to more than a million acres; the live stock—cattle and horses—aggregate some twenty-five thousand, the railroads owned or operated total almost a thousand miles, with an addition of over half that mileage in tramways; there are eighty-three steamships in the fleet, the newest ones of nearly eight thousand gross tonnage. These mere figures represent the growth of an idea.

A MODERN banana plantation is carved out of the jungle, the land is cleared at immense labor, and the plants are set out, like bulbs or shoots, from parent stems. The banana "tree" so-called is really an annual but will continue to produce fruiting shoots for a number of years. The fruit stalk bears a single large blossom within whose unfolding petals the tiny "hands" of bananas are formed. One who has poetry in his soul describes this blossom as "a gorgeous wine-red flower," but an unimaginative layman might compare it to a hunk of liver.

Let us follow the fruit from tree to loading port. The local manager is advised of the time of the ship's arrival and is told how many bunches are wanted and where they are going, because they must be timed to ripen when they get to market. The cutters set out through the plantation to find green bunches of the right maturity; they are Jamaica negroes, like dark, animated bronzes, showing more muscle than raiment, and each is supplied with a long spade-shaped spear and a machete. The bunch is usually about twenty feet from the ground. To get at it, the cutter jabs the spade-spear into the trunk, which bends over with weight of bananas; then the bunch is decapitated from the parent stem by the machete.

The bunch is laid aside with stem trimmed, awaiting the pack mules which deliver it with others, to the pile alongside the railway. After sundown the train comes along and all the bunches, padded with banana leaves, go down through the cool night to the steamer, where they are packed by means of an automatic conveyor into the hold of the specially constructed ship. There are tiers on tiers of the green fruit, neatly stowed to prevent bruising, thousands of tons in all, and kept at a cool temperature by fans from refrigerating plants.

The discharge of the cargo at the home port is automatically accomplished by conveyors, canvas belts and pockets, to waiting lines of carriers who march in continuous streams to the freight cars which carry the bananas out through the country. Each unloading conveyor at the wharf has a (Concluded on page 23)



The final step in the banana's journey to the consumer.



An evening of song and story around a camp-fire in one of the circles, after care has been duly cremated.

When Business an Outing Takes

By M. E. THORNDYKE

THIRTEEN hundred business and professional men of the Bohemian Club of San Francisco forget their work-a-day rivalries once a year to journey to a beautiful grove of California redwoods for a two weeks' outing. Here bank presidents, directors of steamship lines, and capitalists join authors, sculptors, painters and newspaper men in the Club's famous high and low jinks.

Members—and to this the remarkable success of the outing is doubtless due—respond readily to any call of the entertainment committee, whether it be to play in the brass band or the drum corps, to don pink tights and do a step in the ballet, or to make a noise like a dryad.

For thirty-nine years the Bohemian Club has had its annual outing. The Bohemian Grove, 280 acres of virgin redwood forest, stands beside the Russian River, about ninety miles north of San Francisco. The Grove is the property of the Club and contains a complete and permanent camp equipment. The stately redwoods stand in a gentle ravine whose floors and sides in the midsummer are bright with the canvas of the campers.

Each evening brings some kind of informal entertainment, often impromptu, in the various natural theatres the Grove affords. The three Saturday evenings are set aside for traditional plays. The first Saturday evening—naturally—is chosen on which to produce "The Cremation of Care." On the following Saturday comes



The menu and service in this forest dining room are as extensive as in the Club House in San Francisco.

the low jinks, an evening of joy unconfined as the foibles of clubs, state and nation are lampooned. A week later and the Grove Play. The Grove Play is an evolution from a simple program. It is now a serious composition, with music, created entirely by the Club. As many as 200 members take part in the production, which is made possible by the large natural stage. Some of the most successful have been "The Triumph of Bohemia" by George Sterling and Edward Schneider (1908); "The Hamadryads" by Will Irwin and William T. McCoy (1904); and in 1910 by the same composers, "The Cave Man," the book of which is by Eugene Field's nephew, Charles K. Field, editor of *Sunset Magazine*. The 1912 play was "The Atonement of Pan," the joint effort of Joseph D. Redding, the librettist of Victor Herbert's, "Natoma," and of Henry Hadley, the American composer and conductor.

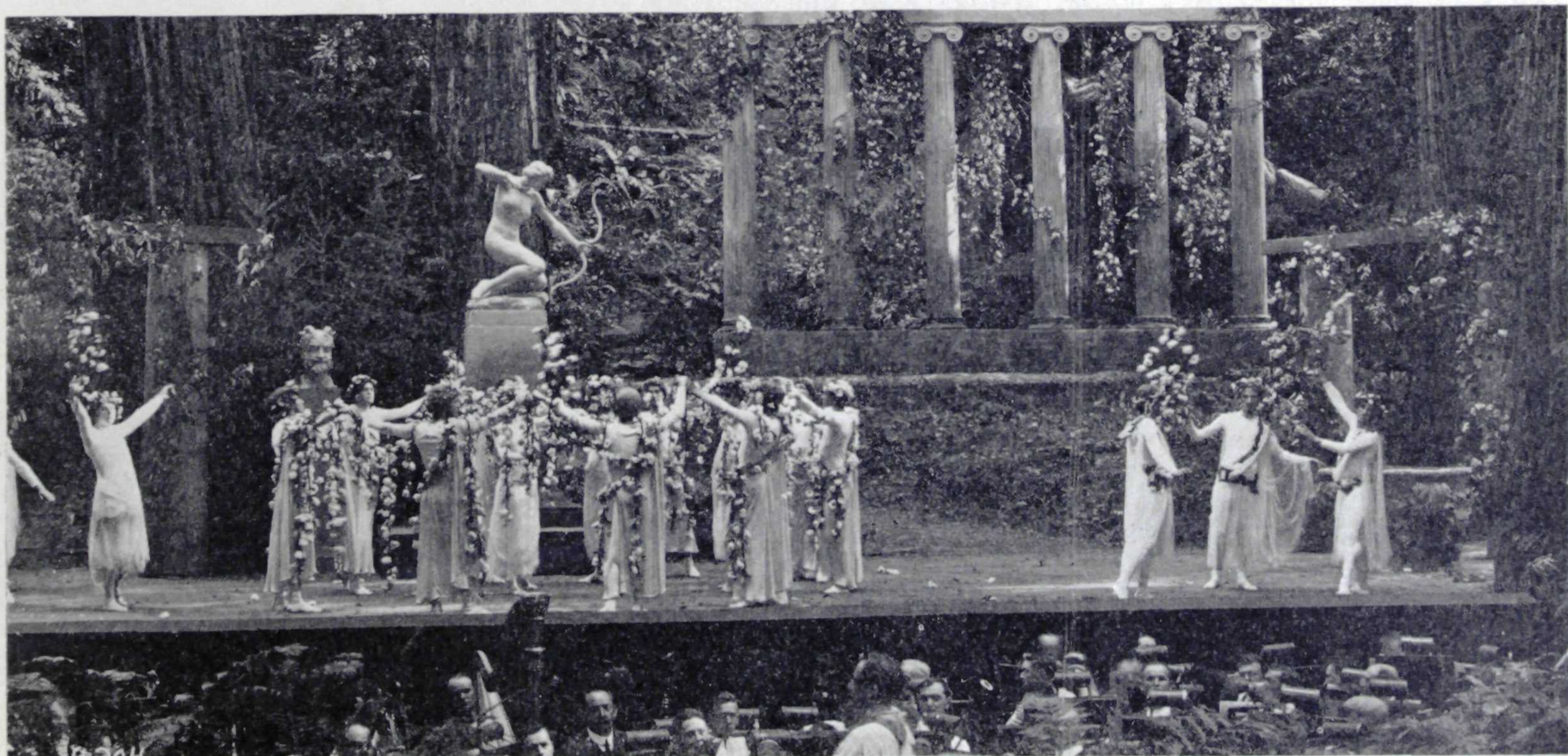


The big actor Dick Hotaling telling the big author Fred Myrtle that the words and music of his Grove Play will be nothing without masterly interpretation. The author not quite convinced.

Speaking of the plays David Bispham has said that "The Atonement of Pan" is a work which any country might be proud of and which surely will serve to lift American music and dramatic art to a much higher position.

Many ingenious and impressive effects are produced in the plays, such as a cross of shimmering light twenty-five feet high in mid-air; Mercury flying down from Olympus and back, and dryads emerging from trunks of great trees. In the finale of a Grove Play the woods behind the stage are illuminated with colored fires and produce a wonderful effect.

The good that such a yearly gathering does for the civic business life of San Francisco and the bay cities cannot be estimated. Throwing men together in such an informal way, they learn that their competitor across the street is human. It would be a great socializing influence for America generally if each community could have such an outing.



Any one of these beautiful girls may be the president of a trust company, for the female parts are always taken by men. This scene is from "The Atonement of Pan," in which David Bispham played the leading part. The back drop of this forest stage, which perhaps equals the Hippodrome stage in floor space, is a steep side of a ravine. The acoustics are remarkable, rivalling those of the Mormon Tabernacle. In the foreground is an orchestra of 100 pieces. The 1300 spectators sit on redwood logs, under the stars.

Freeing the South from the All-Cotton Crop

The Story of a Remarkable Campaign to Teach the Southern Farmer to Raise Enough Feed for His Live Stock, Enough Food for His Family, and Thus Knock Off the Shackles of One-Crop Slavery

By JOE HIRSCH, Vice-President Corpus Christi National Bank

FOR two years, southern bankers and merchants, working in conjunction with the agricultural colleges and other agencies, and backed up by a united southern press, have been conducting a remarkable campaign to free the South from the slavery of the all-cotton crop.

The old order of southern credit is changing. The southern supply merchant—the old-fashioned southern banker—who formerly insisted upon a specified acreage planted to cotton, is now beginning to base credit upon sufficient acres planted to feed and food crops to insure the self-support of southern farmers. As a result, southern bankers and merchants are enjoying unparalleled prosperity, while southern farmers have during the past two years saved millions of dollars in the value of feed products raised on southern farms—millions, which up to that time had been sent out of the southern states. At the same time, the acres thus wisely devoted to food and forage crops have automatically held down the South's cotton acreage with the result that southern producers are now realizing their long cherished hope. Cotton is selling at fifteen cents a pound.

In August, 1914, the South was just beginning to market a cotton crop at 12 to 13 cents a pound. Then the great war, and overnight, prices broke to six cents. Panic seized the entire southland. With European ports blockaded and many of her best customers prevented from obtaining cotton, with a scarcity of bottoms and with ocean freights at almost prohibitive prices,

it seemed, indeed, as if calamity had overtaken the South. To make matters worse, by a strange freak of nature, this momentous year of 1914 produced the largest crop

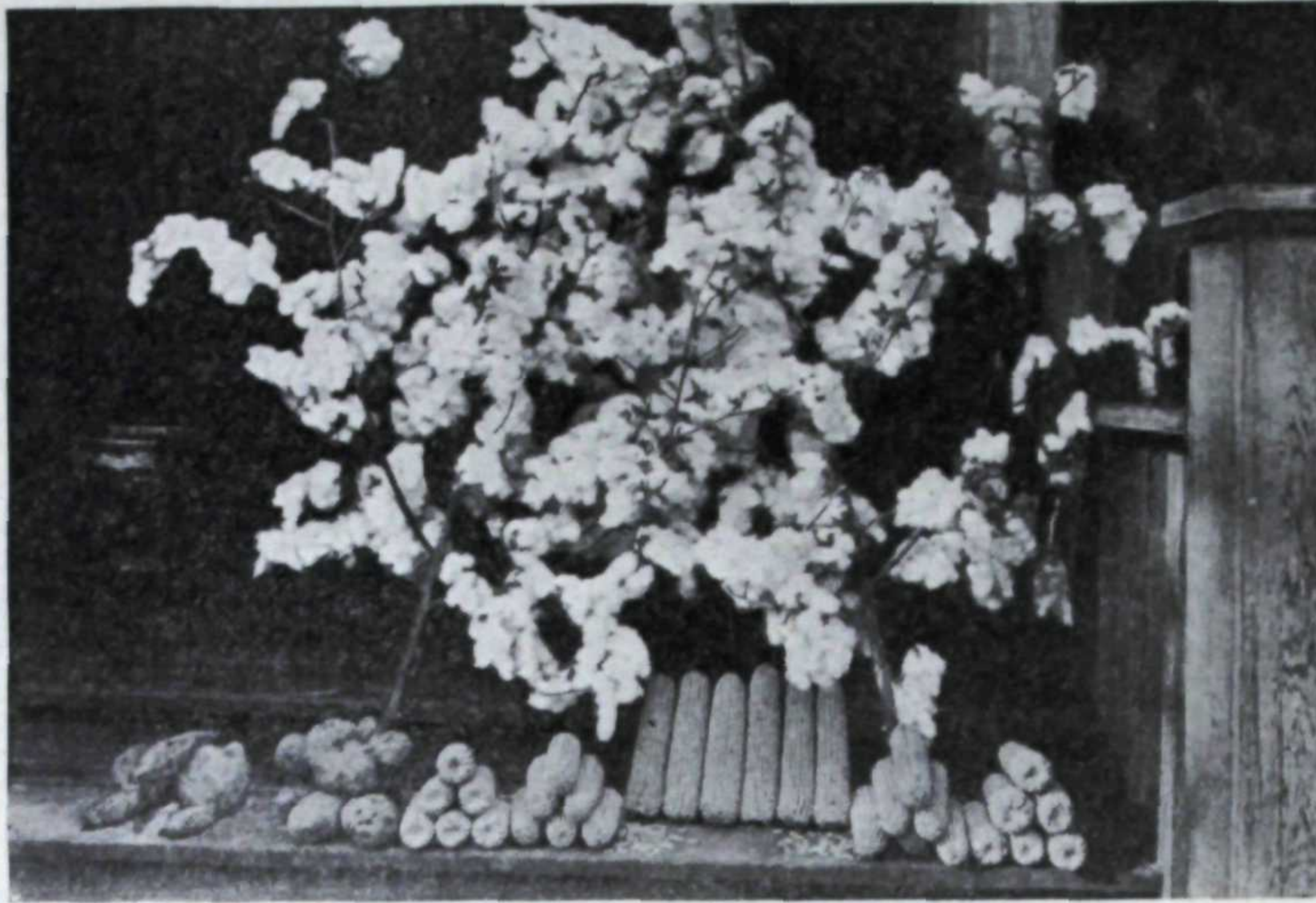
ever grown in the South—a total of 16,134,930 bales. The South faced ruin. At this juncture, a few courageous southern bankers, stepped into the breach, called upon southern bankers and merchants to rally to the support of southern farmers, and urged producers to warehouse their cotton and market it slowly, promising financial assistance to that end.

The effect was almost immediate. Prices began to stiffen and as time went on it was found that the world was going to need the South's cotton. Cotton was required to clothe armies while an unexpected and

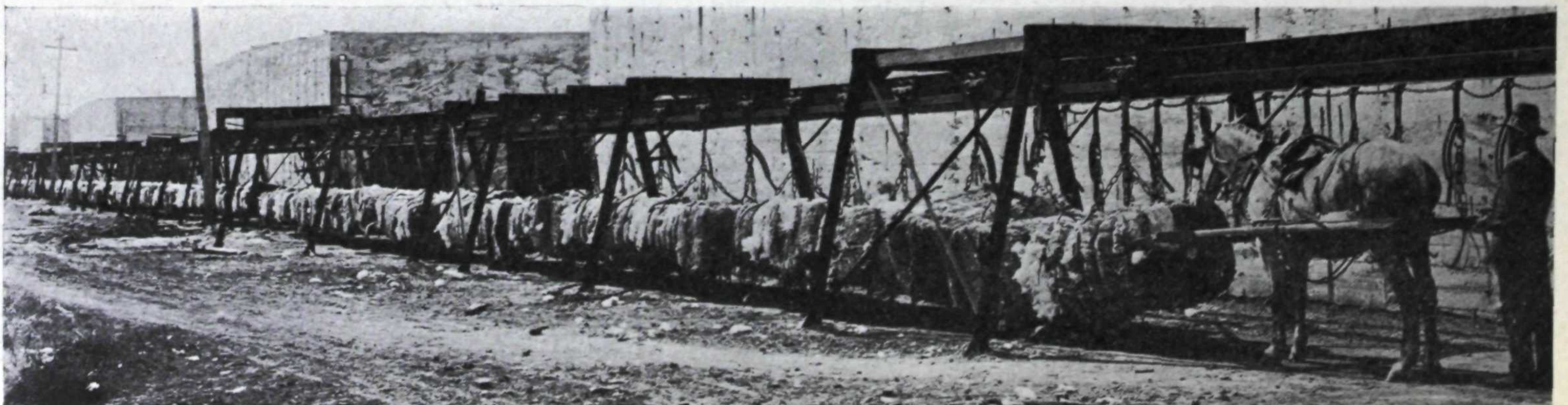
enormous demand arose for cotton linters to be used in the manufacture of explosives. By planting time in 1915 cotton was selling around nine cents a pound.

It was at this time of the spring planting, that Southern banking and business interests, realizing that despite the advancing price, there would still be a surplus of probably five million bales carried over from 1914, began their famous Safe Farming Campaign.

Working in conjunction with the agricultural colleges, which have been preaching this doctrine for twenty-five years, and backed up by a patriotic southern press, they held meetings in every nook and hamlet of the South. They urged southern farmers to raise their own feed and food stuffs. It was pointed out that the South had, year after year, been sending hundreds of millions of dollars out of her borders, to pay for feed and forage



Corn, cotton, and potatoes, these three, but the greatest of these is not cotton but all three in combination, thinks the Cotton States Bankers' Association.



One mule pushing 100 bales of cotton with perfect ease. The cotton is swung on ball-bearing trolleys which travel on a mono-rail.



After growing cotton for a century or so, this southern field responds nobly to the demand for a new crop, as is shown by this second cutting of alfalfa. Many of the fields yield three-fourths of a ton to the acre.

and meat products consumed on southern farms. If she could feed herself, the South could look the whole world in the face, whether cotton sold for five or fifteen cents the pound.

As a result of this policy the South raised an abundant crop of feed and foodstuffs and reduced the cotton acreage to such an extent that the 1915 crop totalled only 11,191,820 bales. Cotton opened in August, 1915, at about eight cents a pound. It was thought at the time that the yield would be much greater and cotton merchants and spinners had counted on farmers taking an eight-cent price.

Thereupon ensued the organization of the Cotton States Bankers Conference, composed of bankers from the ten cotton-producing states, who, meeting in Galveston, August 14, 1915, sent out a call to southern farmers to warehouse and market their cotton gradually

and urged southern bankers to co-operate in a slow-marketing policy by financing safely-stored and insured cotton.

Immediately following this meeting, a committee from the cotton states organization met with Mr. W. P. G. Harding of the Federal Reserve Board who entered heartily into the purpose of the association. The commodity rate on stored and insured products, was promulgated by the Federal Reserve Board. Southern bankers were urged to use the special facilities thus afforded. Southern newspapers called upon southern farmers to stand firm. The August hurricane reduced the yield by some million or more bales. All these agencies combined, brought cotton up from the eight-cent level of August to 12 cents a pound in December.

In December, 200 bankers and merchants of the south effected a permanent organization in New Orleans



Even with diversified farming there will always be work to do in picking the billion-dollar crop of cotton. This is a typical Alabama field, and the stuff going into the bag of Uncle Remus is worth \$100 a bale.

and determined to follow up the work so well begun. Committees were appointed to urge cotton warehouse construction all over the South, while a campaign was begun looking to a continuance of the same wise policies during 1916 which had marked southern farming operations during the year 1915.

Beginning early in January at meetings all over the South the doctrine, "Feed and food farming—safety first" was preached by banker, merchant, college, progressive farmer and newspaper. The result? With cotton selling at the very good price of 12 cents a pound, every indication pointed to heavy cotton planting during 1916, but, for the first time in southern history southern farmers did not revert to the all-cotton gamble. True they increased the cotton acreage, but not to the extent that had been predicted. The South fed herself to a great extent in 1916. She kept her cotton acreage down to what probably would have produced a thirteen million bale crop, under normal conditions. Unfavorable weather, storms, boll weevil and other troubles have reduced the yield so that today indications point to a crop not exceeding eleven million bales. But it is worth today \$100 a bale. This billion dollar cotton crop, added to the millions saved in feed and food products, insures the economic independence of southern farmers.

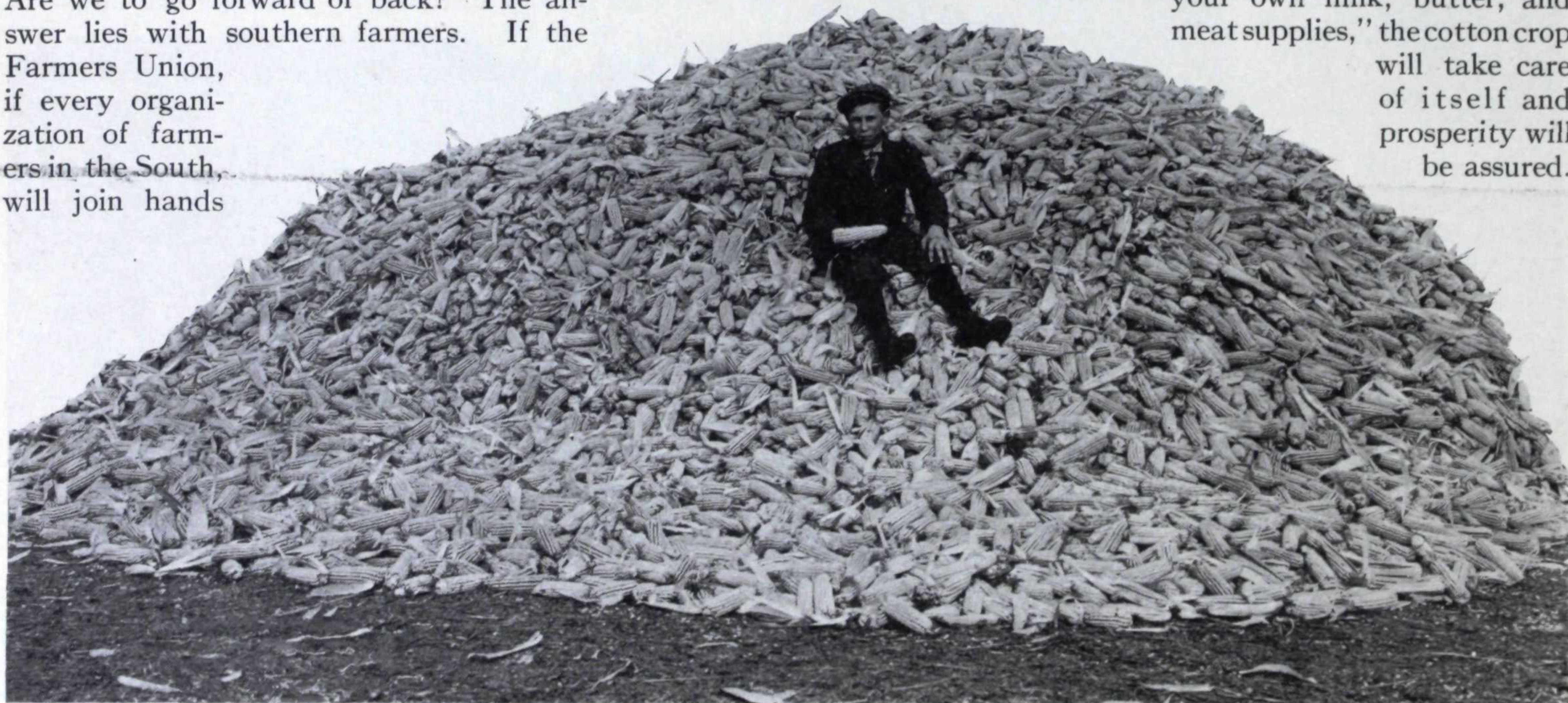
The danger now lies in the temptation offered southern farmers to plunge again next year, to buy feed, to buy food, and to plant every acre in cotton.

To guard against this danger the cotton states bankers have already planned a campaign to begin this month, to last ten to twelve weeks. The agricultural colleges, agricultural field forces, merchants, manufacturers, bankers and, above all, southern newspapers, will bend every energy toward a continuance of the safe and successful methods of the last two years. The success or failure of this campaign, now depends upon the unselfish co-operation of southern farmers. We are at a turning point in the economic history of the South. Are we to go forward or back? The answer lies with southern farmers. If the Farmers Union, if every organization of farmers in the South, will join hands



And Uncle Remus, too, readily adapting himself to the new conditions, is as proud of his prize corn as he was of the old "field of the cloth of gold."

with the forces now engaged in this campaign; if farmers, organizations will in every farm house of the South sound the slogan for 1917—"Raise enough feed for your live stock, sufficient food for your family, produce your own milk, butter, and meat supplies," the cotton crop will take care of itself and prosperity will be assured.



Boys' corn clubs throughout the south have played an important part in the big campaign. This young member raised 209 bushels of corn on one acre at a cost of 11 cents a bushel.

Introducing the City's New Business Manager

His Evolution and Probable Influence on Municipal Government Discussed by
C. A. Dykstra, Professor of Political Science
at the University of Kansas

AMERICAN cities have for years been treated to two kinds of government—government by politicians, and occasionally, government by indignation. Both have failed, and for the same reason; voters who have had their own business to mind have neglected to mind the city's business. Popular apathy or popular wrath expressed at the polls can not produce an automatic government which will give good service. Good government requires time and attention from somebody, and it has been characteristic of American politics that such attention has come, not from voters nor from qualified officials, but from political *entrepreneurs* or middlemen, the professional politicians, and from those having axes to grind.

The most incisive criticism that can be made upon American politics is not that there has been no "business in politics," but that it has been a private business run for individuals and by individuals who have made enormous profits out of it. One of the hopeful signs of the times is that we are beginning to investigate and regulate the conduct of our so-called public business as well as that of the ordinary private business. It is a poor rule that won't work both ways.

Americans are impressed, for a time at least, by such a statement as that of the late Senator Aldrich, that of the billion dollars spent annually by the federal government, three hundred million are wasted. We compute with great solemnity how many schools might be built and maintained or how many poor children given breakfasts by a decent use of this vast sum. And yet cities of 30,000 in the United States, where the schools and the poor children are, spend more than the billion each year and probably waste considerably more than our exorbitant national government does.

It takes a catastrophe of some kind to shock a business or a community into a realization that there is anything wrong with it. Ocean travel was thought comparatively safe until the *Titanic* disaster. Modern liners could not sink! Government inspection was considered quite effective until the *Eastland* turned turtle. We had faith in wooden coaches, our currency system, the army aeroplanes, our submarines until something happened. A good jolt is sometimes an instrument of progress.

The Galveston catastrophe of 1900 destroyed the simple faith of that city in the excellence of the traditional form of municipal organization. The "city fathers" failed miserably and Galveston realized that the "check and balance" system does not work when there is anything to do. It functions splendidly at other times. The city had to be rebuilt! Business men who "hadn't

time for politics" came forward demanding that public business learn the lesson private business had long since learned—that everybody's business is nobody's business.

THE commercial life of a city is so closely connected with its civic life, responding so quickly to its mornings of enthusiasm and its evenings of depression, that the business man is (or is the wish father to the thought?) more concerned than ever before about municipal affairs. He is watching all experiments, sympathetically, realizing how difficult it is to transplant political forms. Democratic America wants a finger in government, paying dearly for it, of course, but just the same demanding its right to vote, and be voted for, everything from dog-catcher—to alderman.

What a deep student of the various plans has come to think, and the road he travelled in reaching his conclusions, will be eagerly read by all who feel the need of a more responsible form of city government.
—Editor.

THE net result of a considerable period of agitation was a new type of city organization, since known as the commission plan. The purpose behind this plan was to unify all city governing processes in the hands of a small board analagous to the board of directors in business corporations. This remodeled city government brought order out of chaos in Galveston and, more important still, furnished to American cities an example of what an efficient government can mean to a city. Within a decade hundreds of cities followed the lead of Galveston.

Ten years of experimentation with commission government have revealed its strength and weakness as a governing instrument, and better still, has encouraged intelligent interest in

and criticism of our old city politics. We are becoming willing, at last, to appraise city government scientifically and not sentimentally.

We have learned that the character of any city government depends upon two things—first, the degree in which it reflects public sentiment in the determining of what ought to be done, and second, the degree of efficiency with which public policy is administered. Under the commission form our city governments have proved sensitive to public opinion; but they have not so generally drawn the most qualified administrators into the public service. In this last respect there is much room for improvement. Efficient administration in a growingly complex and difficult municipal organization requires executive ability, technical skill, a measure of permanence in personnel, and a centralizing of authority at one point. It requires, just as any industrial or business organization requires, the use of experts.

It is on this administrative side our commission is weak; it is bound to be weak for the simple reason that a popular election is not and can not be a test of administrative ability. Experts do not seek election for a short term—rotation in office has no attraction for them. Under the commission form we are asking that our elected municipal officers be both the interpreters of public opinion and the heads of administrative departments. Such a solution of municipal difficulties must result inevitably in a loss of the representative character of our commissions, since they must be busy mastering the unfamiliar details of an administrative position instead of considering questions of policy, or it must result in making only nominal heads of departments out of them and as a



Karl M. Mitchell
Sherman, Texas



Henry M. Waite
Dayton, Ohio



Charles E. Ashburner
Springfield, Ohio



S. D. Holsinger
Staunton, Va.

SOME OF THE NEW CITY OFFICIALS WHO ARE ATTEMPTING TO APPLY BUSINESS METHODS TO AMERICAN MUNICIPALITIES

consequence the piling up of subordinate officials to conduct the administrative business of the city for the commissioners. This is neither an economical nor a wise course of action, for it increases the salary cost and destroys administrative unity.

THE first American city to appreciate a scientific theory of administration was Lockport, New York. The Lockport Board of Trade, in despair because of the incapacities of the city administration, presented to the legislature a bill which if made law would provide a government with all the excellencies of commission government and besides, a really efficient municipal organization. The best type of business organization furnished the principle upon which this administration was to be modeled, viz: A responsible, powerful, well-paid general manager, chosen because of his training and experience, without any regard to political views or affiliations. A study of modern municipal history confirms the wisdom of this board of trade, for it is by such a scheme of administration that the German city has developed its high degree of efficiency.

The Lockport bill did not pass, meantime Staunton, Virginia, had had excellent results with the old council form bolstered up by the addition of a general manager, who administered the city's business. It remained for Sumter, South Carolina, to introduce the managership and the commission form in the same charter, January, 1913. Since that date the commission-manager idea, called by some the Lockport and by others the Sumter plan, has spread with incredible swiftness. Up to the present time forty American cities have adopted charters providing for some combination of the commission-manager form of government.

Dayton's acceptance of the scheme after the flood of 1913 was the dramatic touch necessary to give it a wide publicity. And Dayton's experience with its city manager has given confidence to students of municipal government who have predicted success for the manager plan. It would seem that a distinctly new type of American city government has appeared which will offer

to municipalities the advantages which American business has found in its latest and simplest organization.

Perhaps the term commission-manager plan roughly defines itself. But because of confusion in some quarters as to a more exact definition let the following characteristics describe the essential features of the plan:

1. A single elective representative body with legislative and supervisory functions. This is the familiar commission.
2. All ultimate authority as to city affairs is vested in this body.
3. This body to be comparatively small—elected at large and be paid merely nominal salaries.
4. The chief executive (city manager) appointed by the commission and holding office at its pleasure. The only qualifications demanded of this manager are ability and merit. There must be no residence requirement.
5. The manager has all administrative authority, appoints and controls all city employees subject to some merit system. He is responsible to the commission for results.

The advantages which this plan has over the older commission type have already been alluded to. The creation of a single-headed executive makes for harmony among the city departments. The plan permits the use of experts in administration just where expertness counts most—at the top. It rids popular government of the amateur and transient public servant.

Furthermore it creates a new profession—a public profession. Heretofore in the transaction of municipal affairs the well-trained and professionally equipped individuals have too often appeared in private service; the large retainers have not been paid by cities. With the opening of this new career, one may confidently expect that young men will prepare themselves definitely for this public profession.

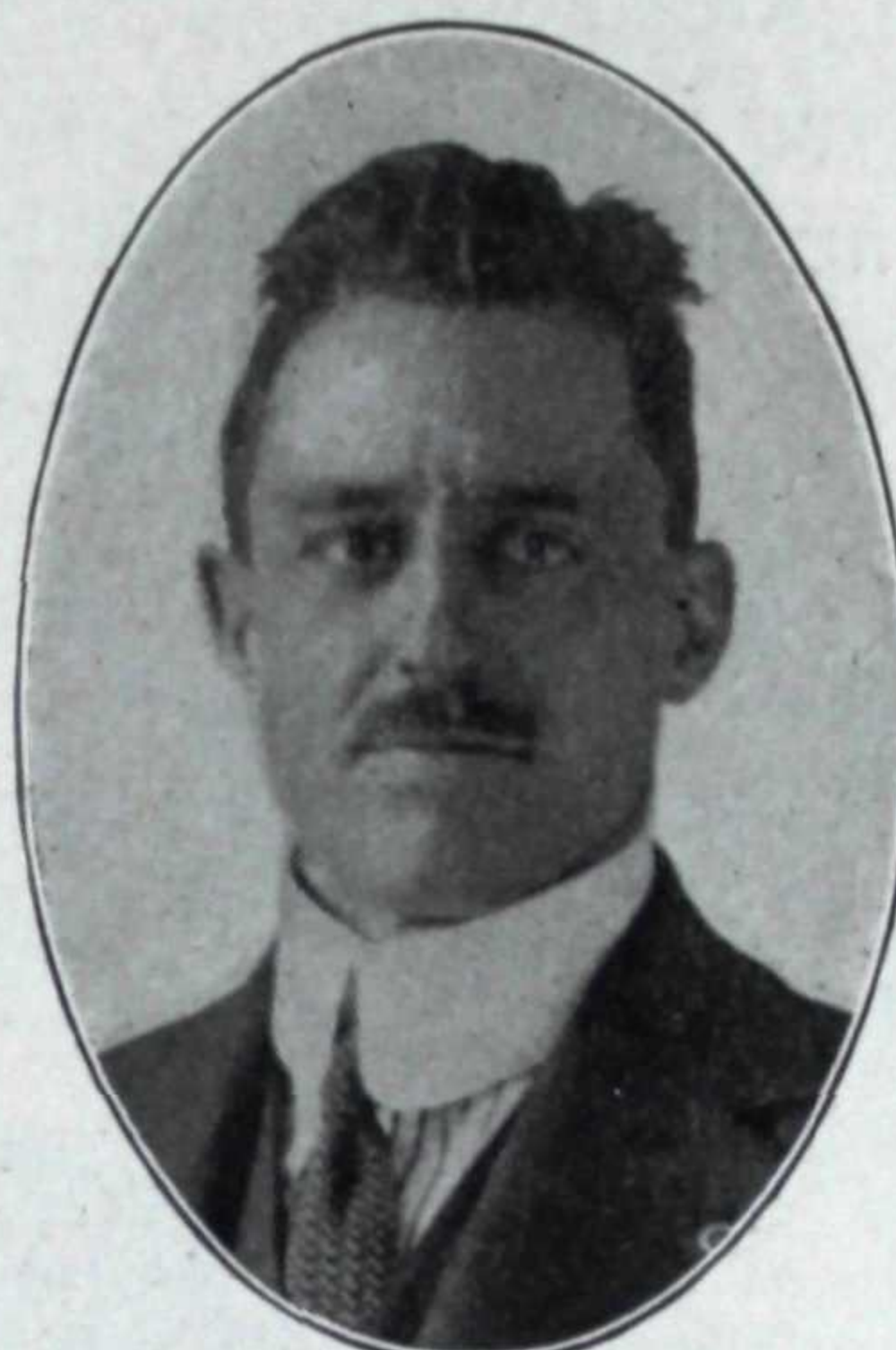
The profession of city managership is already recognizable. City managers have held two conventions and are now preparing for a third. Five managers of smaller cities have been called to larger cities and to larger salaries. Several have refused to accept apparent promotion because they felt a pride in carrying through improvements initiated under their direction. One of them in accepting a new position promised to save the



W. L. Miller
St. Augustine, Fla.



O. E. Carr
Niagara Falls, N. Y.



Gaylord C. Cummin
Jackson, Mich.



Wallace M. Morgan
Bakersfield, Cal.

FROM THE ATLANTIC TO THE PACIFIC FORTY CITIES ARE NOW
TRYING OUT BUSINESS MANAGERS

PHOTOS BY COURTESY OF "THE AMERICAN CITY"

city five times his salary of \$5,000.00 in his first year or quit. He is still on the job.

The oldest member in point of service of this new profession is Mr. C. E. Ashburner, who went to Staunton, Virginia, to work as manager under the old council form, from the engineering service of the Chesapeake & Ohio Railroad. Springfield, Ohio, then called Mr. Ashburner from Staunton. He is still at Springfield and has refused managerships paying better salaries. In his first year Springfield reduced its floating debt from \$120,000 to \$40,000. In the course of three years, operating expenses have been reduced seventeen per cent.

Henry M. Waite, of Dayton, is perhaps the most widely known of the city managers. When the builder of the Panama canal, Colonel Goethels, refused its offer of \$25,000 a year, Dayton called the city engineer of Cincinnati to be its first manager at a salary of \$12,500. He refused a larger salary with a private corporation and took the Dayton position. It was a fortunate decision for the city. His first report as manager showed what a well-administered city government can accomplish in the mere matter of finances. Out of a hundred items in which a saving is shown the following are typical:

Reduction of the current deficit of \$125,000.

Building of the Valley Street bridge for \$12,000 less than the appropriation.

Building of a storm sewer for less than two-thirds the appropriation therefor.

Cutting of the infant death rate for June, 1914, to half the rate for the same month in the three preceding years.

Discounting of all bills in purchasing department.

The following are samples of savings in six months:

Printing.....	\$1,000.00
Soap.....	312.00
Electric Lamps.....	144.00
Coffee.....	102.00
Coal.....	400.00
Corporations cocks.....	700.00
Cast iron pipes.....	1,725.00
Fire hose.....	1,600.00

The later reports show even more substantial gains for Dayton in the shape of a self-supporting garbage plant, a thoroughly improved water service, a better budget and accounting system, an effective centralized purchasing agency, a large plan of public welfare work, and withal, a reduced tax levy.

In spite of the increased activity of Dayton's governmental operation the year 1915 closed with a balance of \$48,500 in the treasury.

Other conspicuous managers are Ossian E. Carr, of Niagara Falls, New York, and Gaylord C. Cummin, of Jackson, Michigan. Carr was originally manager at Cadillac, Michigan, and Cummin was the city engineer under Waite at Dayton. Both have made good in a big way. A recital of city gains and savings under these managers would parallel those mentioned above.

Up to the present time the great majority of the cities hiring managers have sought engineers with municipal experience. Several of the smaller cities have chosen local managers with what is called a business training. One town named a preacher. Within the month San Jose, California, has gone to the University of California to get Thos. H. Reed for its manager.

Dayton and the other cities hiring managers can well afford to pay relatively high salaries to men who can manage. No doubt many more cities will find managers are profitable investments. Especially in the larger municipal undertakings does this need of scientific management appear, but in some proportion or other it is as necessary in the ordinary transactions of every city's business. In so far as the city's affairs are business affairs they are entitled to the consideration which ordinary business affairs receive, *i. e.*, management by experts.

The manager or commission-manager plan offers the chance to make city government simple, efficient and responsible. It offers cities what business now has. It promises to the business interests of a community the same care that business demands for itself. Business can not fail—must not fail to align itself with this opportunity for efficient government.

Teaching a Nation to Chew Gum

Or How a Man, Observing an Idiosyncrasy of the American, Capitalized the Observation by Brewing It in an Old Pot Which He Bought at Auction With His Last Cent

By JAMES M. BINKLEY

BECAUSE millions poured out of the pot, and, indeed, are pouring yet, they said it was luck. They, as usual, did not take into account that there was an idea brewed in the pot, which, put into audible and visible form, was—*Americans love to chew*. Why not industrialize their idiosyncrasy? It was done; and nationalized as well.

Spruce gum and paraffin gum had been made for years, but incidentally, in the confectionery trade. They were contemporaries with stick candy—white, with a blood-red center, or striped, like barber's pole.

Only children, with vagrant "coppers" in their pockets, with here a maiden and there a youth, chewed. The pot universalizing and individualizing a trifling product, even put the jaws of Mark Hanna to work.

The dramatics of the pot began with William J. White, tall as Lincoln and thin as the rails he mauled—a brown-eyed man, mysterious but cordial. Between White's birth and his casual purchase of the pot, the pages are blank, almost.

That he originated in Canada is properly authenticated by the Congressional Directory of 1893. The pot, by the way, wrote his name in that book. He came, as a small boy, with his parents, no doubt, to this country in 1857.

In that he attended a district school, as related in his eight-line biography, it is obvious that he lived on a farm. There are men in the city of Cleveland at this moment who say that they knew White when he peddled candy to small grocers on the waterfront in a one-horse wagon. The candy, so runs tradition, was made in his own kitchen at home.

White, after he became a statesman, always talked to me frankly. We never sat down in the shade of his genealogical tree, however, bent on historical adventures. Of the magic pot, and his narrations went backward no further, he spoke somewhat victoriously. Man is fond of his own creations, all the way up from a chicken coop to a railroad.

It was on a tonic day, as I remember, with a stimulating pinch in the wind that came over Lake Erie, that White, in and out of groceries, his wagon at the doors—though he did not say so—heard of a retiring confectioner who was to offer his tools and utensils for sale at auction.

A dull head on a hot day would have wearily forgotten

the information. White, his mind awake, stored it up and was present when the bidding opened. The pot, old and covered externally with smoke, was put upon the block. Prices have gone from my recollection but the pot was cheap and so was the marble slab, on which candy fresh from the pot was cooled and which, as an accessory, White was compelled to purchase.

Right to this spot, then, back through the sequence of later events, can be traced the humble, though romantic, origin of the great chewing gum business. Out of that dingy pot came a factory, a mansion, a collection of paintings and bronzes, a barnful of fast horses, a stock farm, a racing yacht, a seat in Congress and bales of money too heavy for any vehicle but a wagon.

But the pot yielded none of these things except after a game battle, with the marble slab as an obstinate auxiliary on every occasion. Studying the pot and its possible uses, White thought of man and his practices. Farmers, he had noted, chewed wheat, corn, blades of grass and spears of hay and straw. Males in villages and cities chewed toothpicks and matches. Millions of men chewed tobacco. Shoemakers chewed their pegs.

Details concerning the birth of a golden idea are not without commercial or scientific value and human or ethical significance. Therefore I put in this record the concluding philosophy, phrased concisely, that led White out of candy and into chicle. "Americans," he said to me, "are so nervous that they must bite on something."

The laboratory perplexities of White can be passed over hastily. Gums were tested—spruce, paraffin and chicle. Flavors were tried—clove, wintergreen, peppermint and cinnamon. There are psychological moments and, I dare say, psychological mixtures. White caught the one and discovered the other. In the meantime he had conquered the slab of marble by finding a grease that minimized its adhering propensity.

There were years, several of them, during which White remained in obscurity. All at once, it seemed, Cleveland realized that White had a large factory and that girls in clean dresses and at long rows of benches were boxing chewing-gum and men loading it on cars. Mark Hanna passed the factory in his carriage twice daily. How he acquired the habit, which he later



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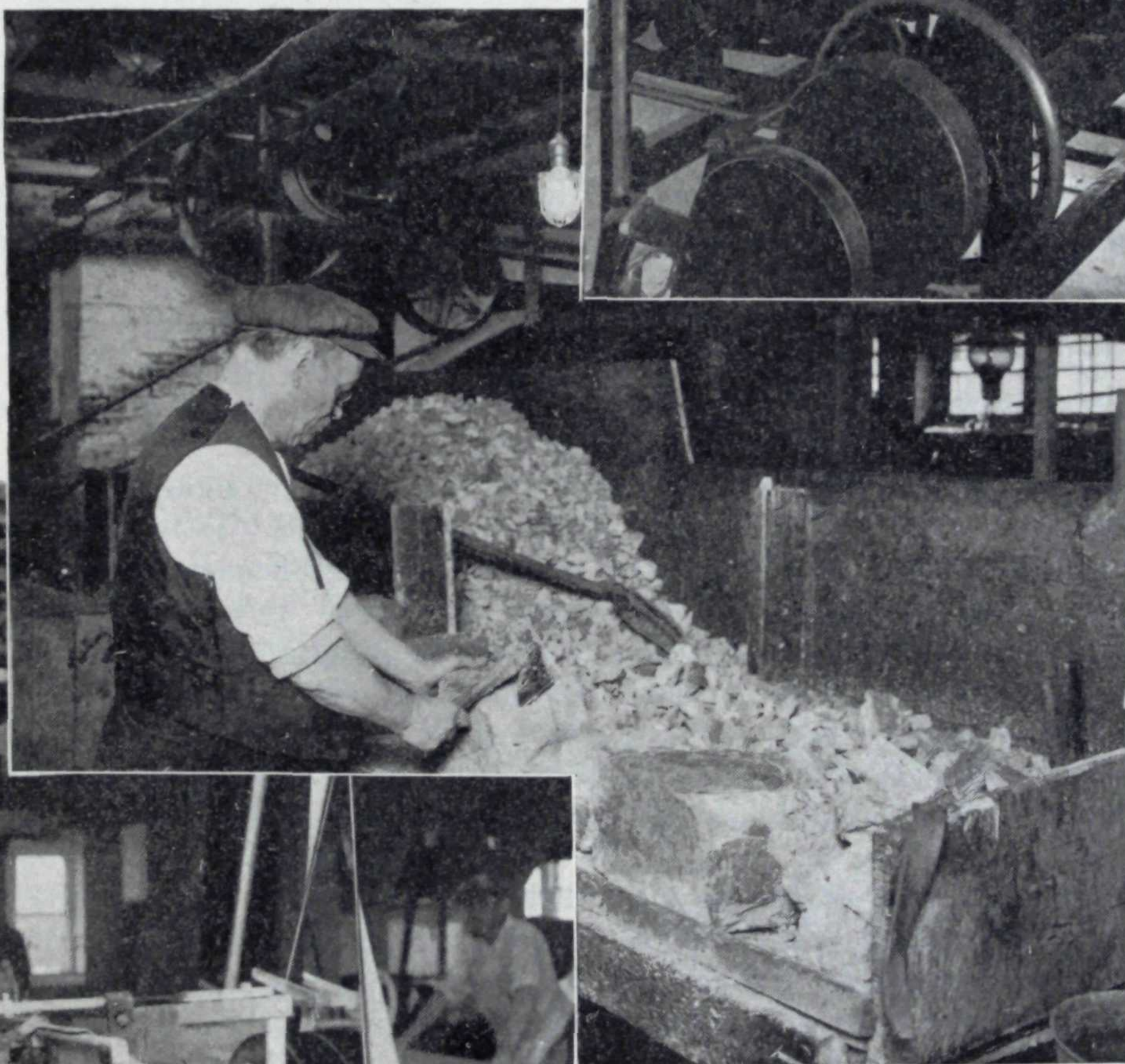
Five billion—5,000,000,000, count 'em—sticks of chewing gum, according to a government official, were bought by children, young and old, in the United States last year. They spent \$50,000,000 for it, and \$2,000,000 of this went into Uncle Sam's pocket as a tax.

abandoned, no one, perhaps, knows, but he chewed White's gum with vigor and pleasure for a number of years, even after he set out to nominate McKinley for President. Then White built a villa near Hanna's fine home. The Prince of Yucatan he was called by those who envied his success, the name being taken from the brand of peppermint gum he was fabricating.

"But, really, who is White?" gossip persons were all the time asking. They could see his factory and his villa but they were denied anything more than a fleeting sight of the man himself. When he bought the speediest pacing horse in the United States and the paintings of famous European and American artists the inquiry: "But, really, who is White?" was raised from a whisper to a shout.

"I purchased the yacht," White told me, after he was elected to Congress, "and she is the most uncomfortable thing I ever rode in, either on land or water,

In the middle picture, breaking up the crude chicle preparatory to the first step in manufacture; below, rolling out the finished gum in thin sheets, one of the final processes.



Above is shown a machine which takes the gum and automatically wraps it into packages, enclosing it in waxed paper, tin foil, and an outer package covering all at once.

not for personal enjoyment but as an advertisement. 'Who owns the *Say When?*' persons ask when they see her tied to a dock or read of her performances in the newspapers. 'Why, W. J. White, the gum man,' is the answer.

"Nor do I take any comfort behind the pacer," he went on to say with startling candor. "I much prefer an old mare whose ways I know, whose speed is less phenomenal and who doesn't pull my arms out by the roots.

"Still," and White's tones grew emphatic, "there is one thing I will not do, even for the gum. You have never seen my picture in public places. I abhor vulgarity. Besides, I believe there is some advantage in mystery.

" 'What does White look like?' people ask. The absence of my photograph from street cars and newspapers arouses curiosity and occasions comment; and talk of White, naturally, involves White's product."

AND here, consecutively, another photograph, "Doc" Beeman's, fits into the chronicles pertaining to the chicle industry. Beeman, leisurely, solemn-eyed, bald headed and rather frolicsome, was a physician but no one ever called him "Doctor." He had practiced in a little Ohio town but had moved to Cleveland and engaged somewhat modestly in the manufacture of pepsin, the raw material for which came from certain inward parts of that non-ruminant quadruped, familiarly known as the barn-yard pig.

"Doc" held that pepsin was excellent for indigestion among human beings and, therefore, that he in no-wise debased a noble profession when he caught a swine and compelled it to yield up that which, remedially, was a blessing to mankind. Literally, of course, "Doc" did not catch the swine; rhetorically, he did. So he came and went, always poor, sportive and well-dressed.

And now we reverently draw nigh to the birth of another momentous idea and are about to pass into the inscrutable precincts of another psychological moment. Beeman had bought some trifle, a base ball index, perhaps, at a book and stationery store. The cashier, a shrewd and suggestive young woman, seeing his benign countenance framed in the window in front of her desk, exclaimed: "Say, 'Doc,' why don't you make chewing gum and put pepsin in it?"

"Well," Beeman drawled in reply, "that sounds sensible. Much obliged. I'll make some experiments."

"Make the gum first and experiment afterward," the girl laughingly but impressively said. She, too, was one of those persons who had marveled much about W. J. White and his millions.

The counsel was accepted. Beeman, whose sportsmanship was never impugned, took the cashier into his establishment, and gave her shares (which, later on, made her a wealthy woman) of the company that he organized. Right here another actor, with a long speaking part, George Heber Worthington, banker, quarry owner and yachtsman, comes into the drama.

I KNEW Beeman," he told the writer of this article, when he was president of the American Chicle Company, capital, \$9,000,000, "back in the days when he was a country doctor. After he got into the gum business, I met him on a railway train. He told me that he was losing money.

"Two friends had staked him with \$20,000 and nominally, were his partners. The money was nearly gone. In a few days, at his solicitation, I looked over his books and his crude little factory. His gum was good, his management bad and I wanted to help him.

"Tell your partners," I said, "that I will give them \$5,000 apiece for their interests."

"I can't do it," Beeman replied, mournfully but decisively. "Those men let me have their money because they are my friends, understanding well enough that I don't know beans about practical matters. If you won't pay them in full, I'll let the business go to pieces and have the moral satisfaction of blowing up with my partners."

Without another word, Worthington wrote a check for \$20,000 and handed it to Beeman. Just as Beeman was going out of the door, he was called back by Worthington.

"You admit," Worthington said, "that you are utterly unqualified to carry on any kind of business."

"I do," Beeman promptly answered.

"Well, gum with pepsin in it may be profitable," Worthington continued, "and success, possibly, will turn your head. I want you to raise your right hand in my presence and solemnly swear that you will not interfere with me now, or at any time hereafter, and that you will always agree with me in every particular."

Beeman took the oath. Subsequently, however, Worthington had to remind him of it pretty regularly. Going to his bank, Worthington said: "Give the gum company credit to the extent of \$50,000 and then ring the bell."

WHEN Beeman heard what had been done at the bank, he put his face into Worthington's and, with popping eyes and a gasp exclaimed: "George, you have ruined us."

"Why pluralize the pronoun?" Worthington replied. "You are ruined already."

After the company had been financed, Worthington called Beeman to his office and talked over a wrapper in which to put their product. The label Beeman had been using contained the portrait of a generously proportioned pig.

"You are not manufacturing sausage," Worthington observed in mild criticism, "but a confection."

"But doesn't pepsin come from pigs?" Beeman innocently inquired.

"I knew what should be on the wrapper," Mr. Worthington told the writer, as he related his experiences on that occasion, "but I held my views back and let 'Doc' talk. He was a benevolent looking person, in middle-life, and I had determined to use his photograph. Presently I gently hinted at what was in my mind.

"'Doc' was delighted. So his philanthropic countenance and fine, old bald head went onto the label and onto the billboards and into the newspapers all over the land. He tramped up and down the earth with ever increasing gladness as his pictures continued to multiply and meet him face to face, in Europe as well as all over the United States."

CHARLES R. FLINT, the celebrated professional consolidator of New York, eventually brought all of the then existing gum factories into a single corporation—the American Chicle Company. White was elected president. Many meetings of the individual owners, however, were held before the combination became effective. Opinions clashed as to the property values. Once in Pittsburgh harmony of action was on the edge of accomplishment when, in the hush and tenseness of a rapidly crystalizing agreement, "Doc" arose and said: "Boys, let's go down stairs and get a drink."

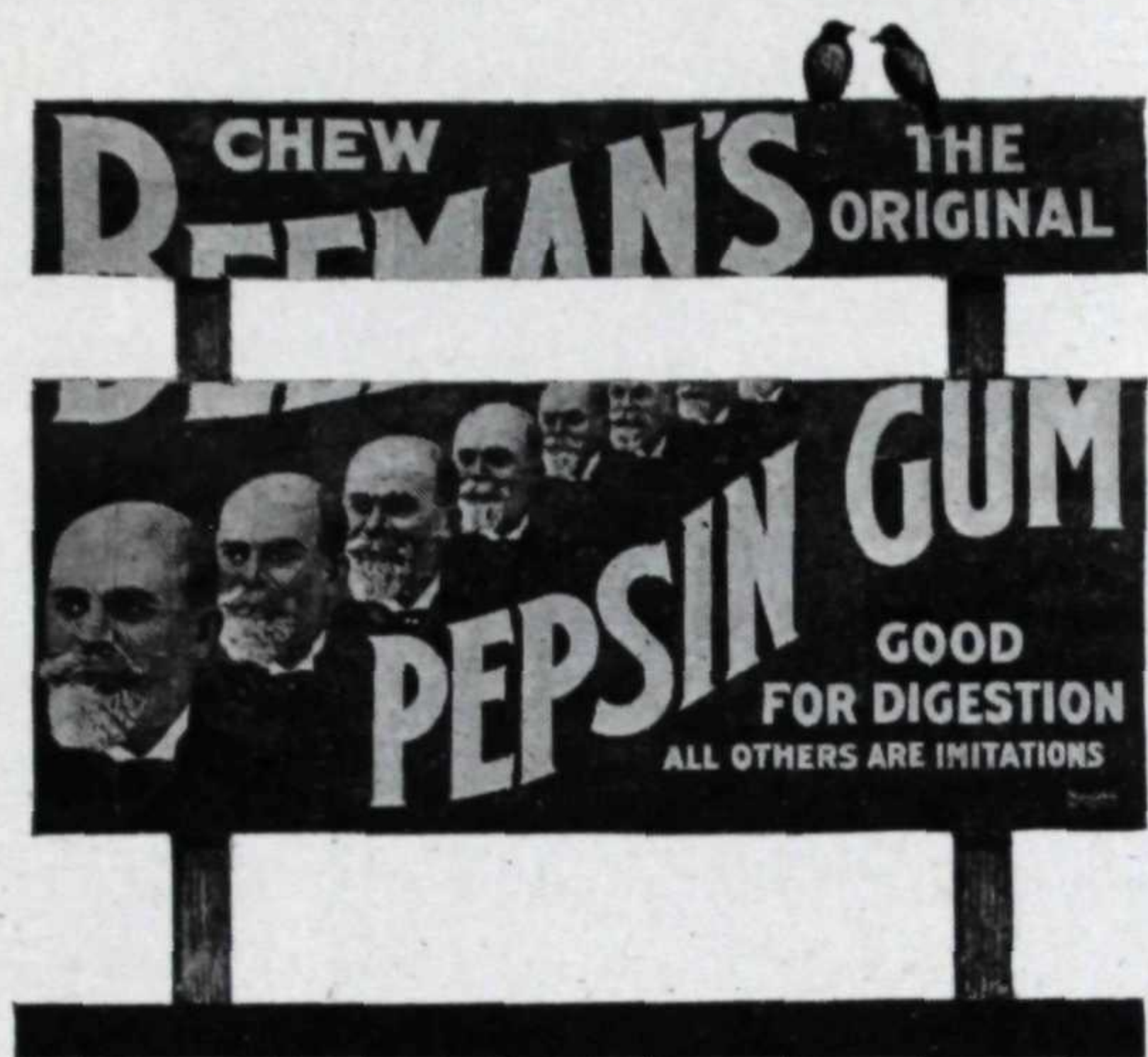
The "boys" went, scattered and then vanished and all negotiations for the time were ended. It is said that Flint was the angriest man in the United States.

At last, the merger a reality, Beeman declined to take all of his interest in shares. He demanded \$100,000 in cash. "I want that much money on a table in front of

me, so that I can see it and count it," he said. His wish was gratified.

Though Beeman sold some of his stock, he left, when he died, \$600,000 of it, face value, to his heirs, from which, for a long time at 1 per cent a month, they received a yearly income of \$72,000.

The photograph of White never has been seen, but Beeman's is marching on, up and down and crisscross over billboards and barns. And "Doc's" friends hope that he sees it, as he peeps over the rim of eternity.



THE BANANA THAT WE EAT

(Concluded from page 11)

capacity of 2,500 bunches an hour and with four of these working at once in a ship's hold, the movement of 10,000 bunches in 60 minutes requires orderly, swift, and sure activities on the part of an army of stevedores.

At every point from tree to final car shipment the bunches are inspected and all bunches beyond the proper degree of ripeness are held for local consumption. When the trains pull out after weighing and inspection by representatives of the leading commercial organization, such as the Board of Trade or Chamber of Commerce, they are accompanied by trained specialists, called Banana Messengers. Not only is there a preferred fast schedule for the banana express, but the messengers inspect, take temperatures, and arrange ventilating devices in transit, to counteract bad conditions of temperature and weather.

Since the haul is from the coast, and largely from southern ports such as New Orleans, Mobile and Galveston, it is an important source of freight traffic to the railroads, being usually a long haul and in an opposite direction to the bulk of freight haulage. For winter emergencies, heating plants are maintained at various points, the largest of these in southern Illinois, treating 72 cars at a time. All these things have to be cared for to a nicety. The bunch, until it is fully ripe, is a living organism drawing sustenance from the spongy stem, with sap flowing and tissues changing in accordance with natural functions. It generates heat in the ripening process, and a few degrees of temperature one way or another may mean the loss of a shipment.

WHOLE books have been written about this industry and they have not exhausted the subject. Suffice it to say that the development of the banana

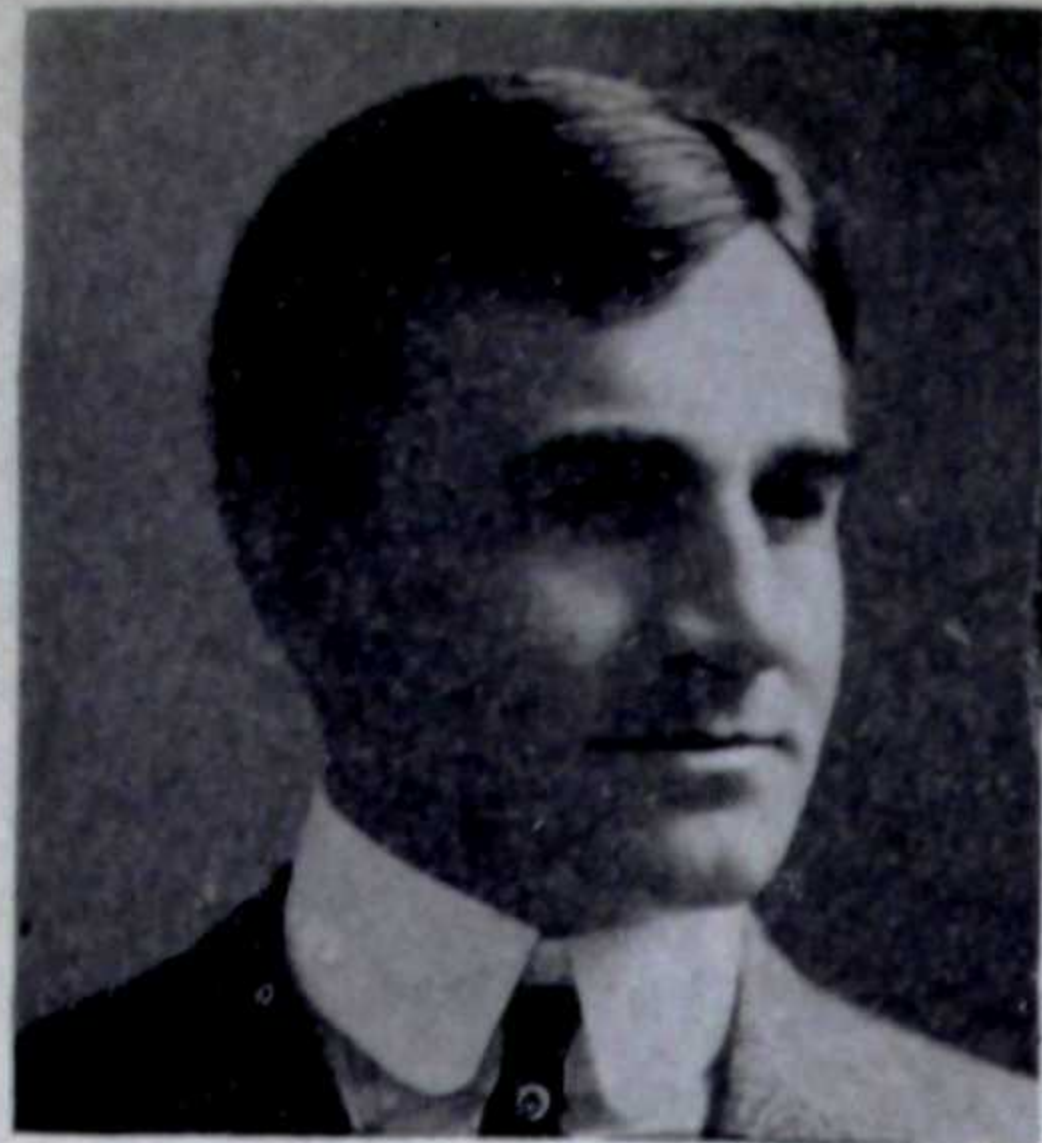
industry exemplifies American courage and efficiency. It has made a commercial conquest of the tropics; it has won a victory in sanitation over regions previously unfit for human habitation. It has given a great industry to our southern neighbors and has created for them a source of wealth. It has been ever a source of comity, friendship, peace, good will, and neighborliness between this country and the Latin American republics to the south, and this during times when international relations have been strained. So the humble banana has a lot more to its credit than its mere reduction of the cost of living to Americans.

And it is not only cheap, but nutritious and digestible. When the girls in the home economics courses at Cornell University, for example, work out their proportionate food values in dietetic studies, they are astonished at the high rank of the ripe banana. Banana flour contains 85 per cent of carbohydrates as compared with 75 per cent from wheat flour. Bananas have three times the proteids of apples, more fats, and a third more carbohydrates.

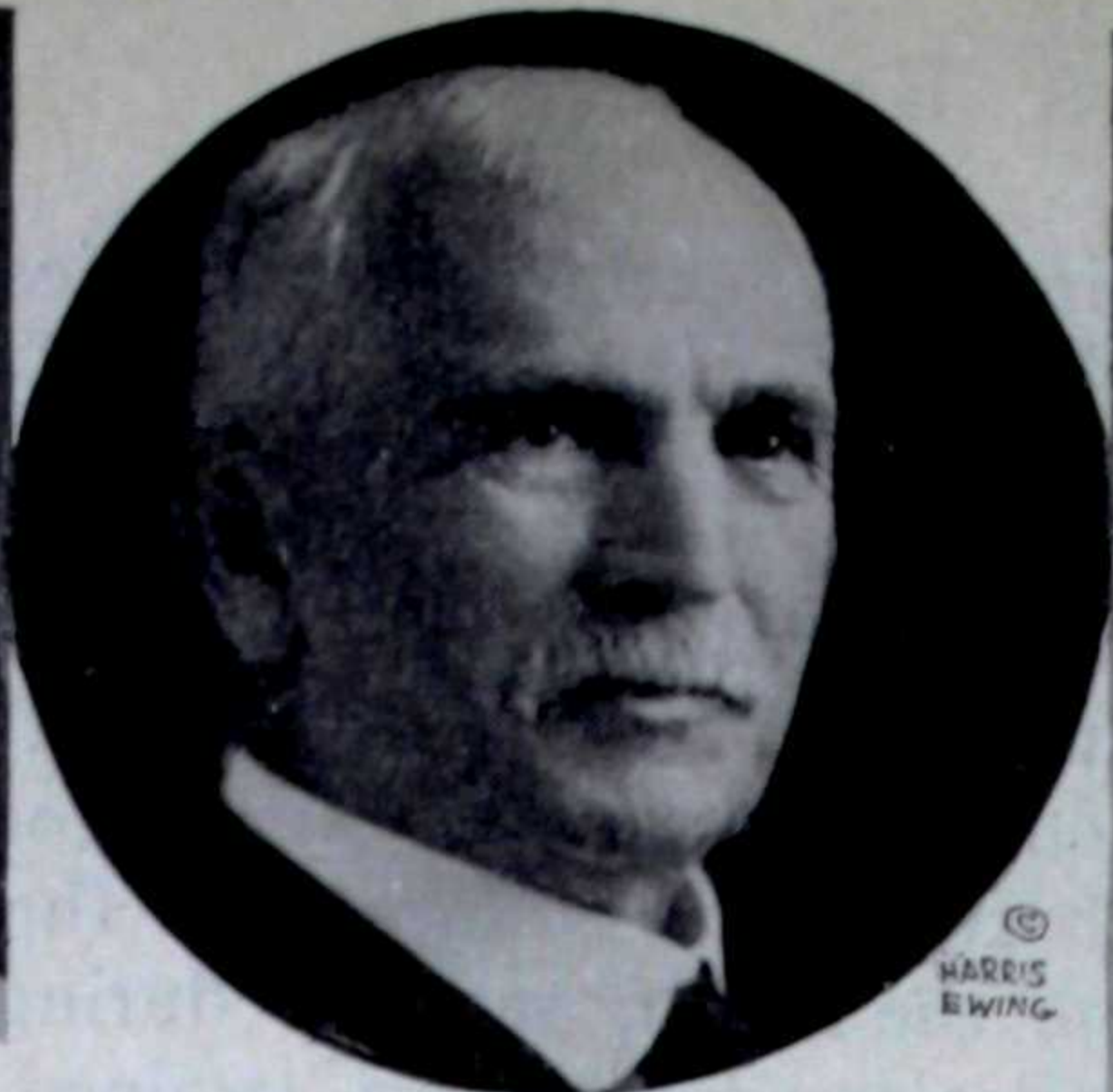
They have the reputation in some quarters of being indigestible. So they are when they are unripe, as indigestible as green apples, or as that peach of emerald hue that "did for" Johnny Jones and his sister Sue. The green banana contains an excess of starch which on ripening turns to soluble sugar. No one thinks of eating raw potatoes; they wait until their starch has been broken down through a cooking process. The ripening process means the same thing for bananas. So far we have used them mainly as a raw fruit, and lately as a favorite in salads. We have only begun to see their possibilities cooked,—baked, fried, in fritters, croquettes, in cakes, biscuits, and ice creams. Some day they will vie with the potato and tomato as to variety in methods of serving. The banana is made into flour or meal, into breakfast food, a beverage as substitute for coffee, and as a digestible food for invalids. It has been characterized as "a fruit, a food, a drink, a breakfast dish, a dessert, a confection, and a medicine."

However, this story is not meant as a paean of praise for the banana, but as a record of achievement coupled with a far-seeing imagination on the part of the American business men who have enabled even the very poorest to profit by their vision, their courage, and their industry. They have linked this country and the tropical Americas in a commercial and industrial bond which has been to the advantage of both. A great enterprise has given a great service and has deserved the success it has won. Its continuance along the same lines will mean the accomplishment of that truly altruistic purpose, the greatest good to the greatest number through the longest possible time.

THERE exists in every community the forces and the ability to solve that community's problems. They may be and frequently are latent and undeveloped, but they are none the less there. These forces must be sought out, stimulated, trained and developed and then applied to the problems of the community.—E. M. Burrill, Cornell University.



HOMER L. FERGUSON,
Newport News, Va. Director



S. B. ANDERSON,
Memphis, Tenn. Director



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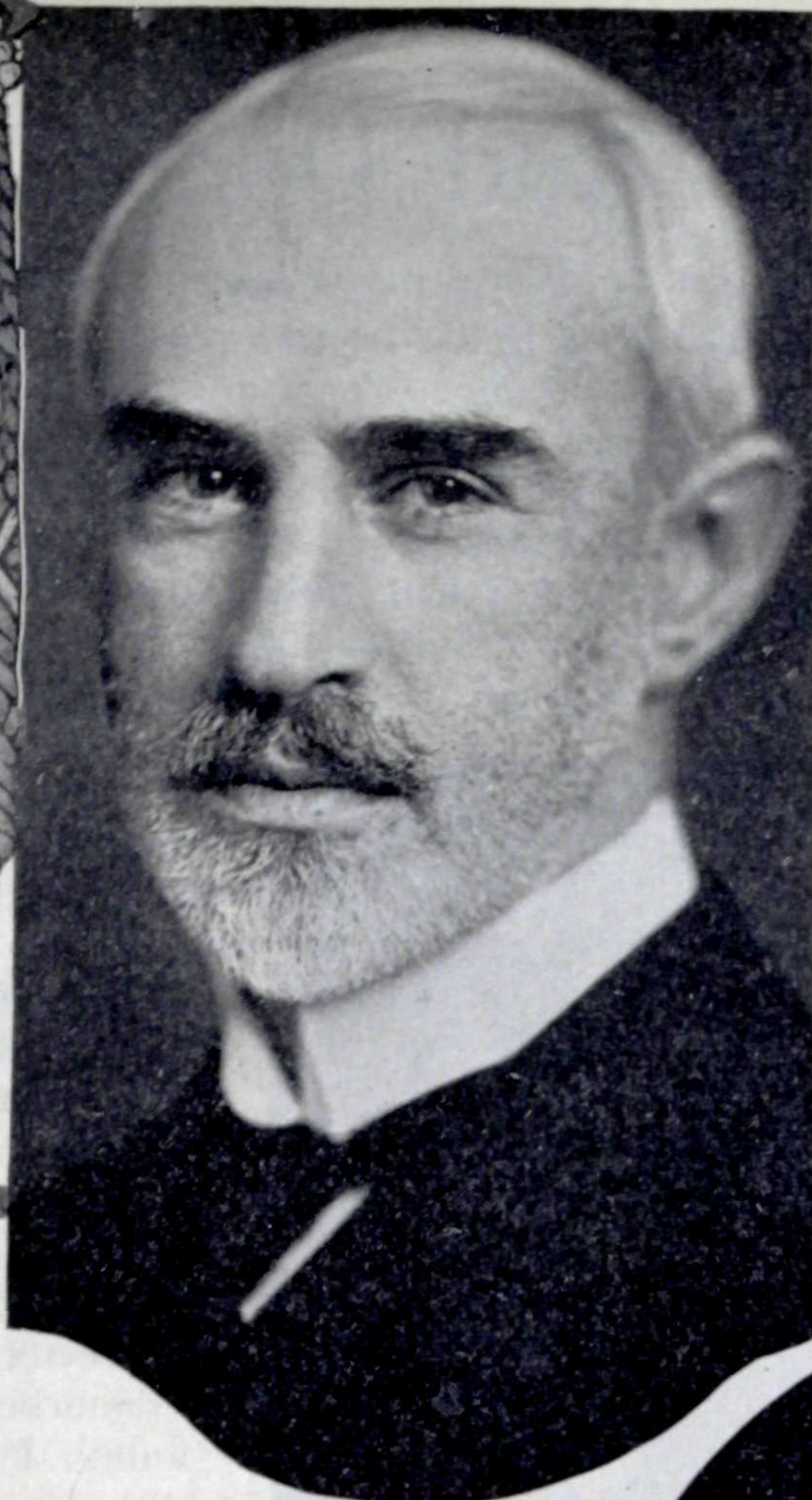
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Men You Know—And Don't!

An Ohioan, by Birth and by Name, Whose Claim to Romance Lies in the Fact That From a Peddler Boy He Rose to Become the World's Greatest Matchmaker

By JAMES B. MORROW

IT was Ohio C. Barber—C. for Columbus, the capital of the State—who was talking to the author of this article.

"Think," said Ohio C., a heroic man physically, being six feet and six and a half inches in stature and as stalwart and upright as the pines of his forest holdings—"think," said he, "of an ocean liner at night, its lights gleaming out far over the water! A noble sight, isn't it?"

"Or," he went on, "of a limited train ripping through towns and tunnels and scarcely stopping between Chicago and New York!"

"Or of a huge mill wrapped in glow and smoke where 10,000 men are at work!"

"Tell me," he asked, "what put the liner, the train and the mill in motion? A little splinter of wood that we call a match."

Elementary poetry, finished eloquence, from one of the boldest and most fortunate monopolists in all the annals of industry and trade. Imagination worked with mathematics in the conception and creation of the so-called match trust. Mr. Barber contributed both; and more than his share of the money that was required.

In age a boy—a child, in fact—he was put to work in his father's little shop at Akron. Added to his years, came added wealth, outlook and ambition.

When he spoke of the lights upon the ocean and the glow and smoke of mills, he was president of the Diamond Match Company—capital, sixteen million—whose factories, zigzagging the earth, reached from the United States to the Philippine Islands by way of Great Britain, Germany, Switzerland, Peru, Chili and Brazil.

There was a short, nervous scratch but no fire, in the story that I had once heard and now repeated to Mr. Barber. "This company," a positive and jerky person exclaimed in the smoking room of an overland train bound East from the Pacific coast, "buys the worst matches in the world. Made by the trust. The only kind fit to use comes from Germany."

"Buy them where you please," a large cheerful man in the corner near the window observed. "We have a factory in Germany too. I don't like trusts any better than you do," he remarked, and he smiled "unless I am in them."

"Are matches *your* line?" the positive person inquired in some confusion.

"Oh, I am only a farmer, with a little land, a few sheep and a pig or two," the large, cheerful man (none other than Mr. Barber himself) answered.

"Is that story true?" I asked.

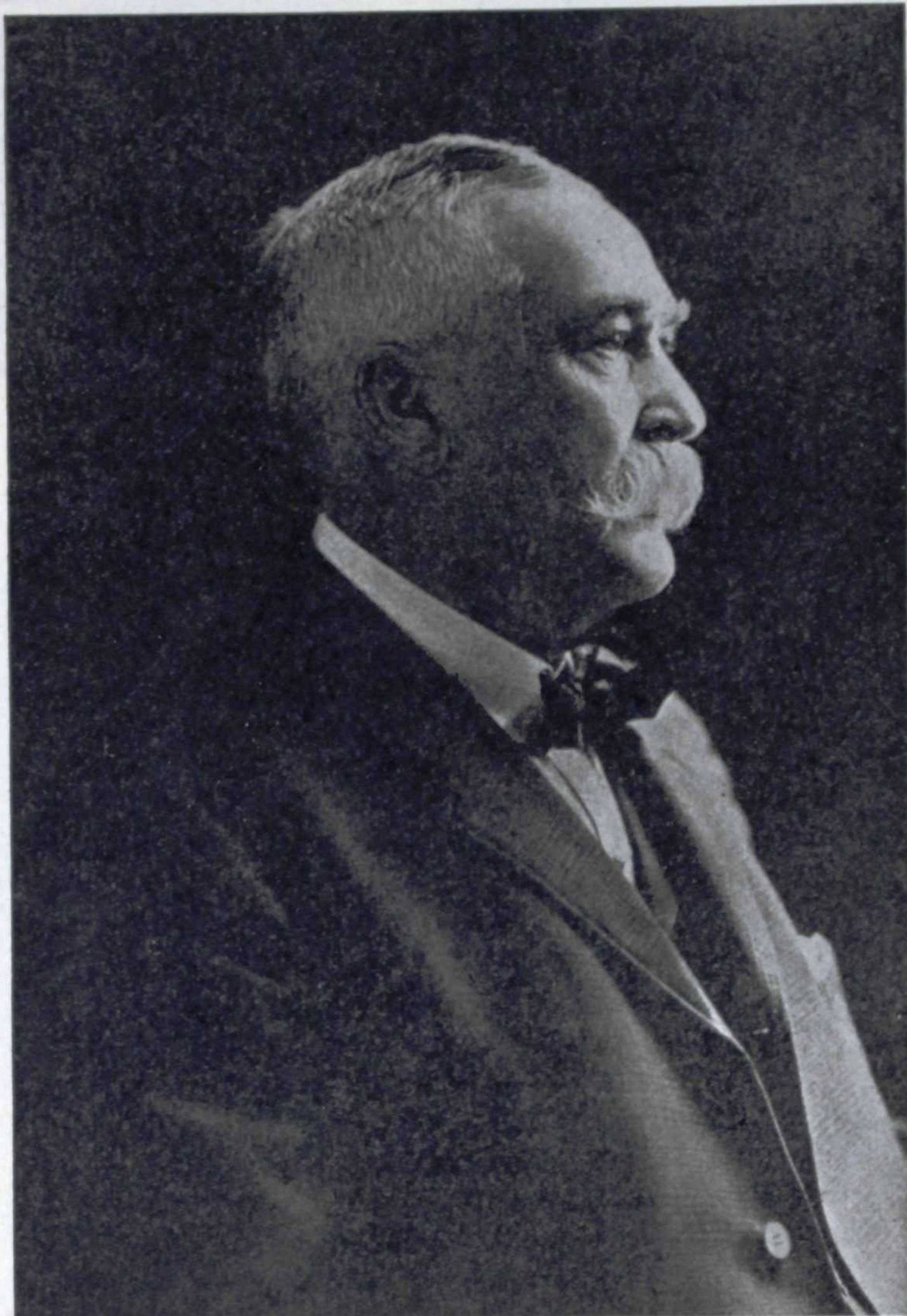
"Approximately," replied Mr. Barber, and he grinned at the memory.

But Akron is the starting point of this article. Clocks had made George Barber adventurous; therefore the bargain was closed when a Connecticut man came along and offered to sell him a formula for mixing sulphur and phosphorus.

An Arab, in the eighth century, discovered phosphorus. It was rediscovered in 1669 by a German. At first it was made from bones; later from mineral phosphates. Two

hundred and thirty-six years ago, Godfrey Haukwitz mixed sulphur with phosphorus and lighted the combination by friction. More than a century later, an Englishman, Walker, put the discovery to practical uses.

The lucifer or improved friction match was patented in the United States by Alonzo D. Philips of Massa-



GEORGE BARBER, father of Ohio C.—C. for Columbus—walked westward from New England peddling clocks in the late thirties of the last century. He fixed his abode in Akron, now the greatest center for the manufacture of rubber in the world, and married Eliza Smith. Being astronomical when his first son was born, he named him Herschel. At the time of the advent of his second son, George Barber had become geographical. There were no more sons and so the speculations of his neighbors, who were curiously waiting on events, were transferred to other local matters of importance.

chusetts. Its manufacture was begun in 1836. Little blocks of wood were sliced by hand and the ends covered with the two combustibles. Later on, machinery did the slicing. Wood and composition are now converted into matches and packed in boxes by a single operation.

George Barber made progress with his formula. He was his own workman, superintendent and general manager for several years. Ohio C., going to school, helped mornings and evenings in the one-room factory. At the age of sixteen, he was sent out on the road as a salesman and counseled to employ his head as well as his tongue in all of his negotiations.

MY father," he told me reflectively, "was a wise man. He took pains to let me do everything my own way—that long scar on my hand was caused by whetting a scythe upside down—and then he was particular to show me the right way.

"‘Use your mind as well as your muscles,’ he would say. I have tried to follow his advice. A boy of sixteen engaged in selling goods away from home, even staple goods that every one wants and knows about, has no easy task. Our goods were thought to be explosive, dangerous alike to man, beast, and property.

"There were not many railroads in those days and the few that operated in our part of the country wouldn't haul matches. Our shipments, consequently, were made by canal. If the expected happened, the boatmen said, they could jump overboard and swim ashore.

"I would meet a consignment at some small town and peddle it with a horse and wagon to farmers and country merchants. The wagon was viewed with alarm wherever I went. Farmers warned me to keep it away from their houses, barns and stacks. Landlords pushed it out into open places at night.

"Thus I traveled all over Ohio and into adjoining states, east and west. It was immediately after the panic of 1857 and money had almost disappeared from circulation. I traded matches to small merchants for muslin, calico, tea, coffee, sugar and spices and to farmers for butter, eggs, beeswax and sheep pelts. The odor of those pelts lingers with me yet.

"Once I took home a hundred-weight of large, old-fashioned copper pennies. The produce and merchandise I collected were given to our workmen, in lieu of money, as their wages. My father, when I reached the age of twenty, admitted me as a partner in the business."

IN this fashion, then, were the seeds of the great match industry planted in this country. O. C. Barber, in the course of twenty years, brought about the merger of smaller factories with his own.

More than that, he purchased 20,000 acres of pine land in New England and 80,000 acres on the Pacific coast. Also he built a railroad thirty-five miles long, over which he brought his lumber out of the woods—not a makeshift railroad, off the right-of-way today and back again tomorrow, but a railroad solidly and scientifically built.

Trees were cut down and sawed into planks, boards, scantlings and joists—enough every year to load 222 trains of thirty cars each. The odds and ends at the mills were shipped to the match factories. A profit was made on the lumber, over and above the cost of the

land and the cutting; and so that used in the production of matches was pure velvet. Moreover, the Barber trust manufactured its own chemicals and the strawboard for its boxes and invented its own machinery.

"You use language loosely," Mr. Barber said, "when you call the Diamond Match Company a trust or a monopoly. Writers and politicians, purposely or ignorantly, confuse their terms. There are natural monopolies. Anthracite coal, for example, is found in a single narrow area. Petroleum of good quality is limited in its production to certain regions. Natural monopolies are difficult to control.

"But where competition is open, come who will, monopoly can only be created and maintained on the basis of cheap production, good quality and low profits. And even then no monopoly can be complete. We make 85 per cent of the matches used in the United States and have plants in Europe, South America, and Africa."

"Africa?"

"Yes; the southern part. The blacks don't do much cooking; it isn't necessary; they can pick their dinner off a bush or climb a tree. But they are diligent and noble smokers. Why, I was going to ask when you interrupted me, can our matches be found in almost every part of the world? Because our competitors can't sell at our prices.

NOW, then, are we monopolists? You have heard of benevolent despots. Aren't there monopolists, as you call them, who can be similarly described? Before the match business was centralized there were thirty-six factories in the United States. Some were strong in certain ways and in others weak. The plants were not economically located. Each company had its own officers and sales organization. All in all there were about 5,000 workmen.

"After the factories were grouped within a single corporation, one of them—and it was in Akron—manufactured 60 per cent more matches than had been the combined product of the whole thirty-six, and with 800 work people as against 5,000.

"Call us monopolists, if you want a vent for an ill-feeling not well-grounded, and the company a trust, but let me tell you that in the ethical old days of competition bunch matches sold at two cents a hundred. Today four hundred and eighty better matches can be bought for the same money.

"As a citizen, having knowledge of past and present conditions, I say that the centralization of capital is for the good of all. The public, however, should be safeguarded by laws prohibiting overcapitalization and extortion."

"Now that you multimillionaires have made all the money in the world," Mr. Barber was asked, "what chance has any one else for getting rich?"

"None at all, if his eyesight is poor. None at all, if his head doesn't work. Men with eyes and brains, however, are becoming comfortably well off, and even wealthy, in larger numbers than at any time since Christopher Columbus discovered America. It is hard to get competent men these days and even harder to keep them. They must be trained in one's own establishment or found by accident.

"If you want a base ball team, all you have to do is to consult the official records. It is the same with trotting horses. It is not so with men in factories and business. I had a manufacturing establishment that was costing me \$100,000 a year in new money. One day I discovered a chemist who had graduated at an eastern technical school. He didn't come to me; I went to him.

"I told him to take the factory and run it. He began with 125 men and annual sales of \$250,000. In eight years he increased his working force to 2,700 men and his sales to \$12,000,000. He isn't complaining over a lack of opportunities in modern business. At another factory that used to be a failure, I have a manager whose salary is \$25,000 a year.

"There are plenty of ways to get rich and new ones are constantly being opened. Look at the automobile business. But better than all is some cheap article that can be brought into daily and general use."

"Matches for instance."

"Yes. Did you ever stop to think that it only costs five cents to ride on a street railroad but that hundreds of millions of dollars are invested in tracks, cars and machinery?"

"But what is the actual and practical guarantee of success in business?"

"Work."

SEVEN years ago, Mr. Barber left the presidency of his match company. Since then he has been chairman of the board of directors. He worked with matches up to the day he ceased actively to manage the match business. The year that he was sixty-eight, he traveled 50,000 miles and, on a broken trip across the continent, slept fourteen consecutive nights in Pullman cars, the berths of which were several inches too short for the comfort of his long, vigorous legs. Now at seventy-five, he is toiling as conscientiously as ever—not to make money but to prove the accuracy of a theory.

Believing that agriculture is a highly profitable industry, as profitable, when intelligently conducted, as manufacturing, banking or merchandizing, he has

spent nearly \$4,000,000 in an attempt to demonstrate the inerrancy of his judgment. He was not inconsistent then, nor platitudinous, when he said success in business could be achieved by work.

"It means," he added, "more than wealth—happiness, for example. I have been going to Europe for more than twenty years. The most wretched men I know of are there; they have followed traditions and retired from business. Theoretically, they ought to be contented; in reality, they are cranky and miserable."

The Barber plantation of 2,200 acres is eight miles from Akron. Mr. Barber bought it, piece by piece, from nine farmers. There was not a young man or a young woman on any of the farms. Nor a child. Old age, rheumatic, enfeebled and discouraged, dwelt in the decaying houses and dragged out of the neglected soil a hard and barren living.

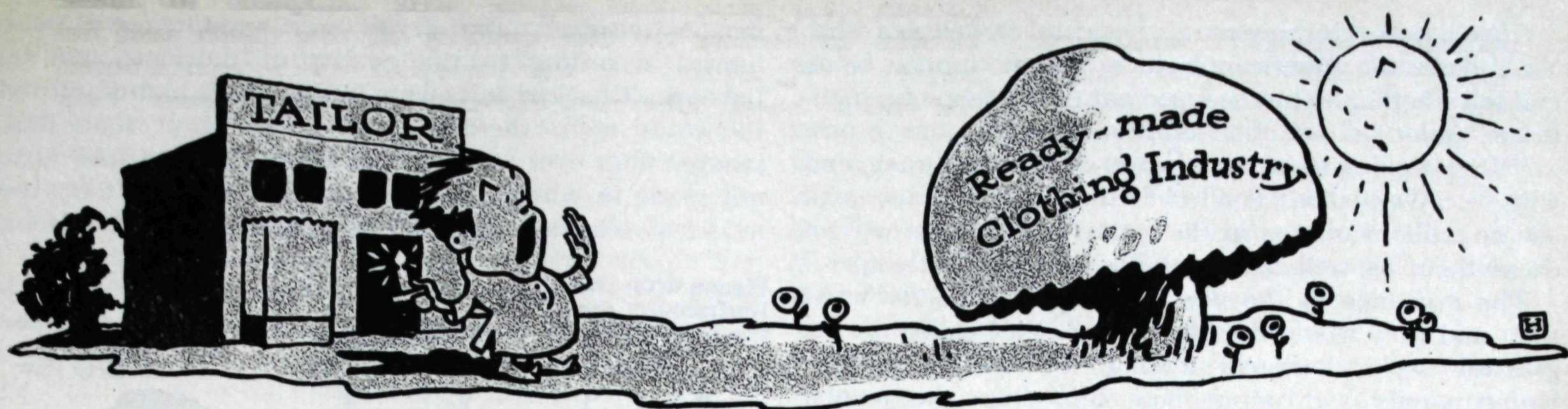
"Oh, it is so almost everywhere in the East," Mr. Barber said in describing the situation. "And yet the earth is man's most kindly, faithful, and obedient friend. Feed it, air it and water it, and it will respond gladly and abundantly.

"Human beings are often faithless, ungrateful, or cruel. The earth never is. I like to think of it as being alive and as understanding what is said to it. Though overworked and plundered, it loves mankind and that is the message, to the poor and all others, that is being worked out on my farm."

Any man who likes his business, in the Barber philosophy, looks happy. And he will enjoy his business if it pays. A cheerful worker, to go further into the Barber doctrine, is a good citizen—an idea that can be followed out until it makes a long essay or a book.

So we leave Mr. Barber on his big farm at the edge of Barberton, a steaming and smoking little city that rose up years ago from among unhabited corn and wheat fields under his vitalizing touch—leave him with the largest and finest herd of Guernseys in the world; with grapes and peaches, grown out of their seasons under glass, and with a great idea over which he will labor to the last.

THE MEN who make money are the men who make a town. No town prospers where it is a sin to make more than two dollars a day.—E. W. Howe.



The Story of the Ready-Made Suit

A Dramatic Narrative of How Clothes Make the Man When Man Makes the Clothes by Mixing Fabrics and Brains, as Told by John G. Holme

DECORATIONS BY CHARLES E. HOWELL

ONCE upon a time, there was an awkward, overgrown, ugly duckling floundering amidst the resplendent flock which animates Uncle Sam's farm of geese that lay golden eggs. There never was in any fairy tale an uglier duckling, nor one of humbler origin. And it quacked at all hours of the day and night:

"I am beautiful; I am useful; I lay more golden eggs than nine-tenths of the birds around here!"

Now nobody but an upstart talks in this way, and an upstart is always dangerous and disturbing when it is healthy and possessed of unlimited confidence and nerve. Its associates turned up their beaks and scorned the ugly duckling. Their own origins might have been very humble, but they had forgotten.

Then lo and behold! One day the ugly duckling shed its pin-feathers, and the next day it blossomed out in brand new plumage. There were only a half dozen geese of the golden-oval variety on Uncle Sam's farm that could compare with the erstwhile object of scorn, in size, good looks, and ability to lay golden eggs.

Of course, you have guessed that the ugly duckling was the hand-me-down industry. It is still in the duckling stage and might be called an infant industry were it not for its sudden leap from comparative obscurity to rank with the first half dozen industries of the United States.

To be precise, the ready-made clothing industry is just about the same age as the twentieth century. It is the offspring of what may be termed an altogether different commercial institution, the ready-made clothing trade of the preceding century. The two are so different that were the parent alive today, it would not recognize its own child, any more than the child of today would acknowledge the parent that died a natural death sixteen or eighteen years ago.

Sixty or seventy years ago a few shrewd Yankees of New Bedford and Boston observed that second-hand clothes peddlers were making a comfortable living by supplying old clothes to sailors in New England and to negroes on Southern plantations. They thereupon decided that there ought to be money in making cheap clothes. The clothes they made were of the coarsest materials and the sewing was done entirely by the women

on New England farms around Boston and New Bedford. The work was all done by hand, but the industry nevertheless grew in quantity of output if not in quality.

The first standardized factory methods were introduced during the Civil War when the country was confronted with the problem of supplying hundreds of thousands of uniforms to the soldiers of the North. The methods which were adopted then prevailed after the war. In the meantime the sewing machine made its appearance, and old-fashioned tailors "cussed" by day the ripped stitches of the slow, clumsy, cumbersome invention, and at night they would wake up and howl over cramps in their legs. Running the old sewing machine by foot-power was about as pleasant an exercise as operating a treadmill.

The parent ready-made clothing industry ran on and prospered materially, spoiling good cloth and threatening American democracy. There were no princes, dukes, margraves or freiherrns in the United States, but society became divided into two classes with a yawning chasm between; one draped in tailor-made garments, and the other in "hand-me-downs" or "store clothes." Just imagine, or perhaps you can remember the sneers of contempt uttered by the custom tailor of sixteen or twenty years ago when store clothes were mentioned in his presence.

The big clothing manufacturers would turn out one or two styles each year, devised to hang with comparative ease on the frame of the average American citizen. The main trouble was that the average citizen exists only in statistics. If the coat and sleeves were too long, mother would take a judicious hitch here and there and rectify the matter. The same sartorial aid would be summoned to amputate a few inches off the trousers when necessary.

But to return to our ugly duckling. It was pecking at its shell about the time the American eagle was screaming its victory over Spain. If the honest custom tailors of the country had only known of the egg that was hatching, the world would have witnessed the greatest hen-coop raid of history. The ugly duckling represented a new industry with new blood, new ideas, new ambitions, and new working methods.

Dropping all figures of speech, the new man of the new industry said:

"We'll make clothing that is beautiful as well as useful. We'll dress the American male so that no human being can tell whether he just stepped out of the shop of a high-priced tailor or out of a retail store selling our goods.

"We are going to make no secret of what we can do and will do. We'll shout it all over the United States until all the millions of men in the country know that we can dress them as well as any tailor and much cheaper."

The new men in the new industry did exactly what they said they would do. First of all they called on the greatest style designers among the custom tailors. Unfortunately we cannot here reproduce the pained expression on the faces of these czars of style when the representatives of the clothing manufacturers offered them positions. Neither can we record the change of expression when the item of emoluments was mentioned. Suffice it to state that the yearly salaries offered in many instances contained a greater number of dollars than many of the style artists had ever seen in their lives. The artists were sensible. They forthwith turned their genius to designing styles for thousands of men instead of for scores.

Advertising agents for magazines with national circulations wrote into their books new accounts which dwarfed the yearly contracts of their former best customers. When an American business man starts plunging there is nothing of the "piker" in his methods.

Artists who had made fortunes and reputations with their brushes, followed the lead of the style designers, and accepted commissions to make drawings for advertisements illustrating how handsome the American youth can be when togged out in clothes made by Kuppenhart and Schaffheimer. You may be surprised to know that your favorite magazine artist, the man who draws such adorable girls for the mid-summer fiction numbers of periodicals, receives the bulk of his income and a handsome one at that, from the ready-made clothing company which manufactured the suit you are wearing.

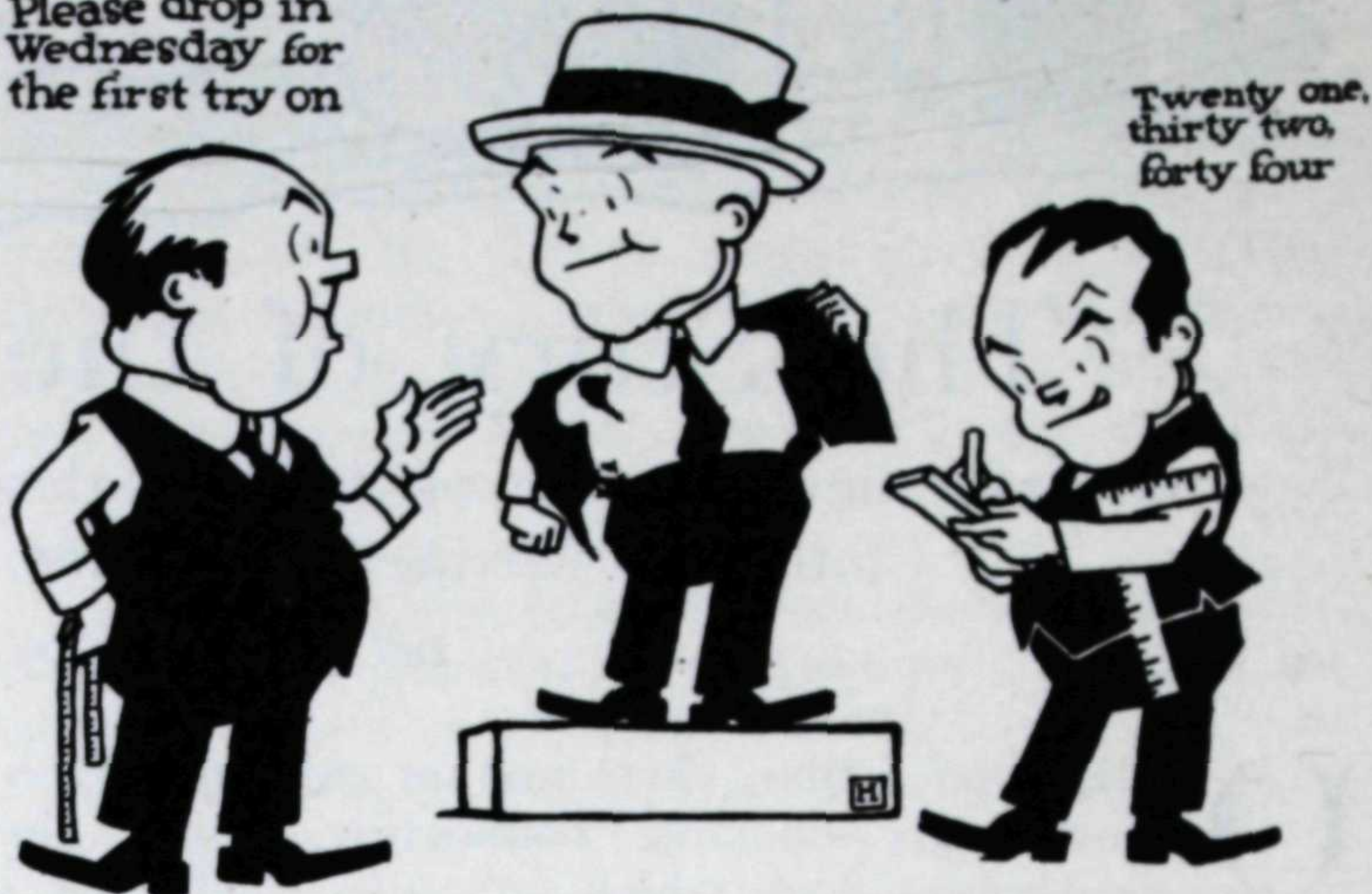
The campaign of advertising launched by the clothing manufacturers about sixteen years ago became a challenge to every man in the country. Thousands of Americans, if not millions, called what they thought was a bluff and found it no bluff at all. Every boast made by the new industry was simply a statement of facts, proved conclusively by the millions of Americans who bought ready-made clothes as a trial and were satisfied as to materials, finances, and aesthetics.

Thus brains, daring, and energy caused the spectacular revolution in the industry. In the year 1899, the manufacture of clothing was a prosperous, easy-going and more or less settled business. The leaders in the trade were corpulent and comfortable. The value of products that year amounted to \$276,717,357. In 1909, the clothing manufacturers of the United States turned out \$485,677,493 worth of garments. There had been an increase of a little more than 75 per cent. in ten years. There are no official figures available since the census of 1910, but Mr. W. R. Corwine, Secretary of the National Association of Clothiers, and undoubtedly the best-informed man in the trade, estimates this year's output at \$600,000,000.

To accomplish what was planned, it was, of course, necessary to change business and manufacturing methods. Fabrics were selected after a thorough study by the

master designer, and styles were adapted to these fabrics according to the quality of the cloth and its pattern. Checked suits were not as a rule manufactured for stout men, thereby making the stout man look stouter than ever. Suits with longitudinal stripes were not made in wholesale quantities for men built on the model of telegraph poles, thus making the wearer look

Please drop in
Wednesday for
the first try on



taller and thinner. The manufacturer not only tried to make good-looking clothes, but he instilled the spirit of service into his work. The style designer was paid a salary ranging from \$15,000 to \$25,000 a year for the sake not only of evolving and creating new styles, but to apply all the common sense which his experience had taught him in the making of good, serviceable, stylish clothes.

The big manufacturing companies ceased dealing through jobbers and bought directly from the woolen mills, cutting down costs. On the other hand they did away with the middleman who had stood between the manufacturer and the retail dealer, and another cut in costs was made. Sweat-shops were wiped out, with the result that the quality of workmanship was greatly improved, and finally all the latest labor saving devices were installed.

Efficient, almost intelligent, machines were set to work performing tirelessly and accurately the labor of scores of men. One machine cuts cloth faster and better than a dozen tailors, though many manufacturers use hand cut garments; another seams trousers legs so fast that the spectator can hardly follow the process. A wonderful little contrivance can sew buttons in a couple seconds wherever it is told to do so, and its partner of steel makes several thousand button-holes a day. Then there are mechanical jugglers that close seams, make canvas fronts for coats, and fold and stitch belt-loops for trousers. Inventive wonders have been pressed into service to speed the process of labor and decrease the cost of production.

THE renascent and rejuvenated industry opened up a new world of commercial romance. This is no wild flight of the imagination, but a plain fact out of the history of American commerce.

Consider the penniless immigrant, seeking our shores to get rid of a legacy of poverty and oppression, and to find in its stead honorable occupation, the respect of his fellowmen, and wealth. After the New Bedford Yankee

had left the ready-made clothing business, the Irish and German immigrants stepped in to found their fortunes. For some reason the center of the industry shifted from New England to Cincinnati. Later, when the full flood of immigration struck this country, the bulk of the trade naturally changed to New York City. Now it has large centers also in Chicago, Baltimore and Rochester.

The German, Austrian, and Russian Jew became the next masters of the ready-made clothing industry. They had been permitted graciously to learn the humble art of sewing in the countries where they had lived. In the United States the craft of these men developed into business. The Jewish immigrant who arrived here penniless, friendless, and almost nameless, found opportunity in an industry which had a special appeal. It required little capital; he might serve a few years as tailor, machine operator, or cutter, and by saving his wages, enter business for himself. He began by hiring two assistants, one to do the machine sewing and the other the basting, while he himself did the finishing. At first he took contracts from large manufacturing companies. Later he turned manufacturer himself, and sold to retail clothing merchants in the neighborhood of his factory, a factory which generally was started in his own home. If he prospered, and he generally did, he moved his establishment into the business structure in the factory district



near his home, and within a few years he would occupy several floors turning out thousands of garments yearly, and catering to a steady, growing trade.

THE ready-made-clothing industry is typical of American business genius. It was only a few years ago that no man in prosperous circumstances would think of wearing ready-made clothes on social occasions. Every little town had its tailor and every city business block several. Sixteen years ago the man who bought a ready-made dress suit would have been considered a trifle off in his upper story. Now there are probably twenty tuxedo and dress suits sold by the high-class

ready-made clothing houses of the country; to one tailor-made. Within fifteen years the clothing manufacturers have educated the American business and professional man to wearing ready-made clothes. The busy man has come to believe that he is too busy to visit a tailor to be measured and fitted. He probably is not too busy, but he thinks he is, which amounts to the same thing and he is convinced that the clothing manufacturers of New York, Rochester, Milwaukee, Chicago, or Cincinnati can dress him as well as any tailor.

And why not? The chances are nine to one that he is buying a suit which represents the designs, plans and ideas of a \$25,000 man.

The industry looms big in the future, not only in this country, but abroad. Before the war, American ready-made clothes were crossing the boundary lines of the United States. Canada was importing ready-made suits by the thousand. The American clothier had established trade in London, Paris, Berlin and Vienna, for the output of manufactured clothes in Europe is practically *nil*. The American manufacturer is now entering the South American and Central American field with Palm Beach suits and light clothing of other kinds. The first suits shipped to South America were not wholly a success because the trousers had metal clasps at the waistband, and vests had metal buckles behind. Our alert consular agents immediately reported that South and Central America were "peevish" because of the use of metals which rusted. The heat was conducive to perspiration and perspiration induces various corrosive actions. There are no metal buckles or clasps on the suits exported southward these days.

The very basis upon which the success of the modern business has been founded, furnishes also its greatest complication. In the old days, as we have seen, there was a standard or staple product, which was at once the blessing and the bane of the industry. Nowadays, the aim is to secure distinction and individuality: these require the widest variety in fabric, color, and pattern, which in turn—and in addition to the need of matching stripes, plaids, and other designs—requires that each piece of cloth be cut individually. None of your stamping pieces out in bulk with a machine cutter as with many another wholesale commodity, or even as with the cookies the housewife cuts from a flat slab of dough.

Styles change, too, as to lines and textiles. This brings in a problem of nice adjustment of supply to demand. The manufacturer is always in danger of being caught with the goods which were the vogue of yesterday but are obsolete today. The industry, in its desire to serve, has brought that condition upon itself. And after all, the American business man would be unhappy without a few problems on which he may whet his wits.

GARMENTS should veil the human form, and neither caricature it, nor obliterate its lines; the body should be draped, and neither sewn up in a sack, nor stuck in the middle of a box; drapery properly managed, is not a dead thing, but a living one, expressive of the endless beauty of motion; and if this be lost, half the pleasure of the eye in common life is lost.—WILLIAM MORRIS.



The *Why* of the Trade Paper:

WHERE there's a will there's a way and where there are 3,375 trade papers with 36,000,000 regular readers, there must be a *why*.

When the history of American journalism is written it will naturally record the early beginnings when postmasters were the editors (nowadays the editors are the postmasters); it will recount Peter Zenger's trial when [Andrew Hamilton won for America the freedom of the press; it will devote another chapter to the influence of the penny paper; another to the decline of the party-subsidized press; another (let us hope and pray) to the passing of yellow journalism.

Along with these obvious high-water marks in American journalism will be another—not yet

so obvious because of our proximity to it—the remarkable growth of the trade press. If the historian is not a slave to understatement, he will use the word phenomenal, for to every student of journalism the development of the trade press in the past decade is phenomenal. Not only has its growth been measured in material form—a tenfold increase in circulation in ten years—but it has shot forward immeasurably in influence and power, and instead of being regarded as parasitic incubus upon the industry, the trade paper today is looked upon as invaluable to both the front and back office. This is because it has become purposeful; it has not been content with merely furnishing the information of the trade week by week or month by month—although this itself is of high ethical value—it has reached out in an effort to crystallize the aspirations and ideals of its respective trade, and in so doing has assumed a natural leadership. Be it said to the credit of American industry, this leadership was quickly recognized.

The information which the technical journals are gathering and presenting to their readers, while ranging all the way from personal chit-chat to the most advanced methods of operation, has, first of all, the prime requisite of being accurate and authentic. Readers being human, this of course increased their respect for the trade journals. Editorial staffs today are composed of men who not only understand the art of faithful presentation, but who also have the technical knowledge which makes worth while what they have to say. The day has passed when the failures and misfits of the newspaper and magazine field can softly drop into a





As Well as the *How* of It

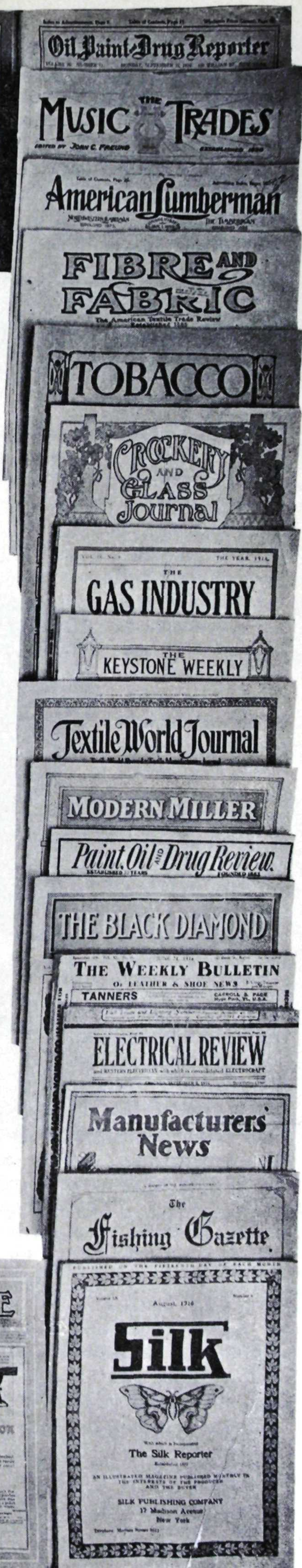
position on "some trade paper." The old paraphrase is no longer a happy one—"them as can, do; them as can't, edit a trade paper." For the writers and editors of the technical press today are most often chosen from the ranks of successful business men, and successful business men have on more than one occasion drawn their best executives from the trade paper field.

This information then, at once authentic, accurate, and timely has done much to bring the class publication into favor. Those who read the trade paper *intelligently* get something more than direct information about their business. Indirectly they apply methods and adapt plans to their own individual enterprises. Furthermore, the successful business man, who must always have imagination, reads between the lines of his trade paper and by intuition is able to forecast the development in his special line. Added to imagination must be the courage to reach out and take advantage of the vision. This is why a magazine writer found a short time since that a number of successful business men whom he interviewed set aside a half hour of the day's schedule to read the trade magazines. In some instances executives had their assistants go through the periodicals and mark the articles they considered important to the head office.

Not content with giving this direct and indirect information, many trade papers are installing service bureaus. In this way every department of the paper is placed at the disposal of the individual reader. There is scarcely a business man today who has not at one time or another called upon his trade paper for information. Today it may be a request for the address

of a business concern; tomorrow, a technical question that requires three days or three weeks of research. This paper is installing cost systems for its patrons; this one maintains a bureau at Washington to look up the governmental angle on particular problems of its industry. Sales methods, office management, intricate and improved processes of manufacture, these have come to be legitimate fields in which a reader may expect advice from his trade paper.

Of course, it follows as the night the day, when a paper gets such a hold upon its readers through its service and its high purposes, that business men will want their announcements carried in its columns. They are quick to sense the prestige that being on such pages will bring



to them. And the cooperation from the advertiser makes it possible for the publisher to produce a more serviceable and purposeful paper. In this connection, to hark back to our historian of the first paragraph, an eminent economist is authority for the statement that when historians write of this industrial decade, they will get the great mass of their material from the advertising columns of the trade press. For here we find from week to week an amazing epitome—and

illustrated at that—of the progress of the individual industry.

Yet the secret of the success of the trade paper is not here. It does not lie in the dissemination of information however important that may be. The trade paper has gained its place in the respect and confidence of its vast clientele because it has done so much to make the individual think and feel and assess his work by a common standard with the other (Concluded on page 37)

Teaching the Hermit Kingdom to Want Things

By LYNNE M. LAMM

WHEN Japan wanted to sell more goods to Korea (Chosen), she went about it in the most unconventional way. She started in to educate her would-be customers with an eye to accomplishing two things; first, to create a desire in the Koreans for better agricultural implements, better household appliances, in short, better standards of living; second—and a necessary corollary—to teach them to make two yen grow where one yen grew before.

Eighty per cent of the 17,000,000 Koreans are engaged in farming. So Japan began in a systematic way to improve Korean methods of agriculture. The Japanese government installed model farms, cotton planting stations, horticultural stations, and from these and like points distributed seeds and plants to the farmers. At the same time more efficient methods were demonstrated, new methods naturally calling for the substitution of a steel plow for a forked stick, modern milling machinery for stones, wagons for donkey backs and human backs, and a sad-iron for the primitive pounding sticks.

Japan stood ready, of course, to supply these modern implements at a price.

Trade associations and Chambers of Commerce were encouraged and through these the inhabitants of the interior are being brought into closer contact with the outside world. In the three years ending 1913 Japan had organized 64 trade associations in Korea, and seven more jointly

with Koreans. In addition to these, due doubtless to this stimulation thirty-seven associations were formed by Koreans alone. While sixty-two dealt with miscellane-

ous products, eight were created to deal with grain, twenty-one with cattle, two with hides, four with marine products, six with textiles, three with paper, and two with liquors. All, however, as with similar organizations in the United States, have for their general purpose the development of their communities' commerce and industry. In many cases they are able to check the manufacture of inferior articles and promote their own interests by mutual agreements.

No laws or regulations governing these associations have yet been enacted. For the present a Provisional Governor is assigned as supervisor over them. All matters relating to change in trade and other items provided for in the articles of the association must be approved by the Governor General.

Simultaneous with these developments came a marked improvement in economic conditions. More capital was furnished by Agricultural and Commercial Banks for agricultural undertakings. From a quarter of a million in 1910 the sum grew to \$750,000 in 1913, an increase of 300 per cent in three years.

Of course these progressive methods introduced by the Japanese brought



Last month's Chinaman with his 350-pound load of tea caused remonstrances of incredulity, so we take pleasure in presenting herewith a Korean bringing in a small backful of firewood. This ought to add fuel to the flames.

about a large increase in agricultural products and this stimulus is reflected in the yearly increase of mining and fishing industries. One instance of this is seen in the organization of a Japanese company with a capital of \$500,000 to develop the tungsten industry. Large deposits of this ore have been found in Korea.

Copper, iron and coal are abundant, but the development of these resources is impeded by the poor means of transportation. These conditions are being rapidly improved however, and the Korean system of railways is now connected with the Siberian and Chinese lines.

Korea's trade with Japan and foreign



Korean children eating dinner on paper screened porch. Meals are served on small tables, the person sitting on the floor. Note the shoes left on the step.



Where Japan can get in some educational work teaching the Koreans that such methods of grinding rice are some years behind the time.

countries, both imports and exports have leaped ahead during the past few years. In 1913 Korea's foreign commerce made a record for itself. The import trade, however, fell off in 1914, due doubtless to the financial dulness occasioned by the European war.

Korea's agricultural products amount to \$150,000,000 yearly and account for about 80 per cent of the total export trade of that country.

The chief crops are rice, wheat, beans and grains of all kinds, besides tobacco and



These primitive ironing sticks are giving way to the sad-iron. This and the picture above show the outdoor "working porches" of the Korean. The porches are used for everything but sleeping; when he sleeps he goes into the house.



The bullock has no kick on his load of wood when he sees on the opposite page his master with a similar load. In this the Korean is no respecter of bullocks.

cotton, and live stock is raised as a by-product of agriculture.

The United States is now firmly entrenched in third place in the total export trade of Korea. Japan is first, and China second. The largest part of Uncle Sam's business with Korea is confined to flour, oil, locomotives, materials for bridge construction and machinery.

Some of this machinery has been sold because of Japan's educational campaign which has

been extended to the cities themselves. Particularly in Seoul, the capital, have modern conveniences been installed. Electricity is now available for lighting, heating, and power; railways are under construction, and advanced methods in various sanitation devices are under way.

The primary interest in the story was announced at the beginning: A novel and unconventional method of promoting foreign trade. May be there is a tip in it for western nations. Who knows?

Seattle—Our New Island City

Queen City of the Northwest Digs a Ditch, Adding Eighty Miles to Her Water Front, and Now Can Entertain Uncle Sam's Biggest Battleship in Her Back Yard

By ROY O. HADLEY



Water rushing from the Lake into the canal when the cofferdam was opened. General George B. McClellan made the recommendation in 1856; Congress, in 1890, made the first appropriation, and today a dream of 60 years ago is a reality.

WHILE the old U. S. A. ambled along its even tenor last month the War Department, without blare of headlines, pushed a button and left our Northwest metropolis on an island. Incidentally, 80 miles of fresh water harbor were added to its 50 miles of Puget Sound frontage.

Pushing the button put into operation a ship lock capable of lifting larger vessels than any similar structure built by the United States Government outside of the Panama Canal. This lock is at the entrance of the Lake Washington Canal, connecting Puget Sound with Lake Union (which by the way lies entirely within Seattle) and with Lake Washington the eastern boundary of that same northwest metropolis.

The main chamber of the lock will handle any ship that has ever been on the Pacific. It raises a boat from salt water to the surface of the chain of fresh water basins thus created and retained at a permanent level nine feet above high tide. It adds eighty miles of harbor frontage to Seattle and materializes a dream cherished by the earliest settlers since General George B. McClellan in 1856 recommended to Jefferson Davis, then Secretary of War, that a canal connecting these lakes with the Sound would afford an ideal fresh water harbor for government vessels. (This was when McClellan was with the Corps of Engineers five years before the outbreak of the Civil War in which the two men were to become conspicuous figures.)

Congress in 1910 appropriated \$2,275,000 to build the lock, provided the local community would furnish the right-of-way, indemnify the government against damage claims, and supply the funds with which to excavate the channel into the lakes. The right-of-way had been acquired years before by the people of Seattle and presented to the government. Anticipated damages had also been settled from public funds. A

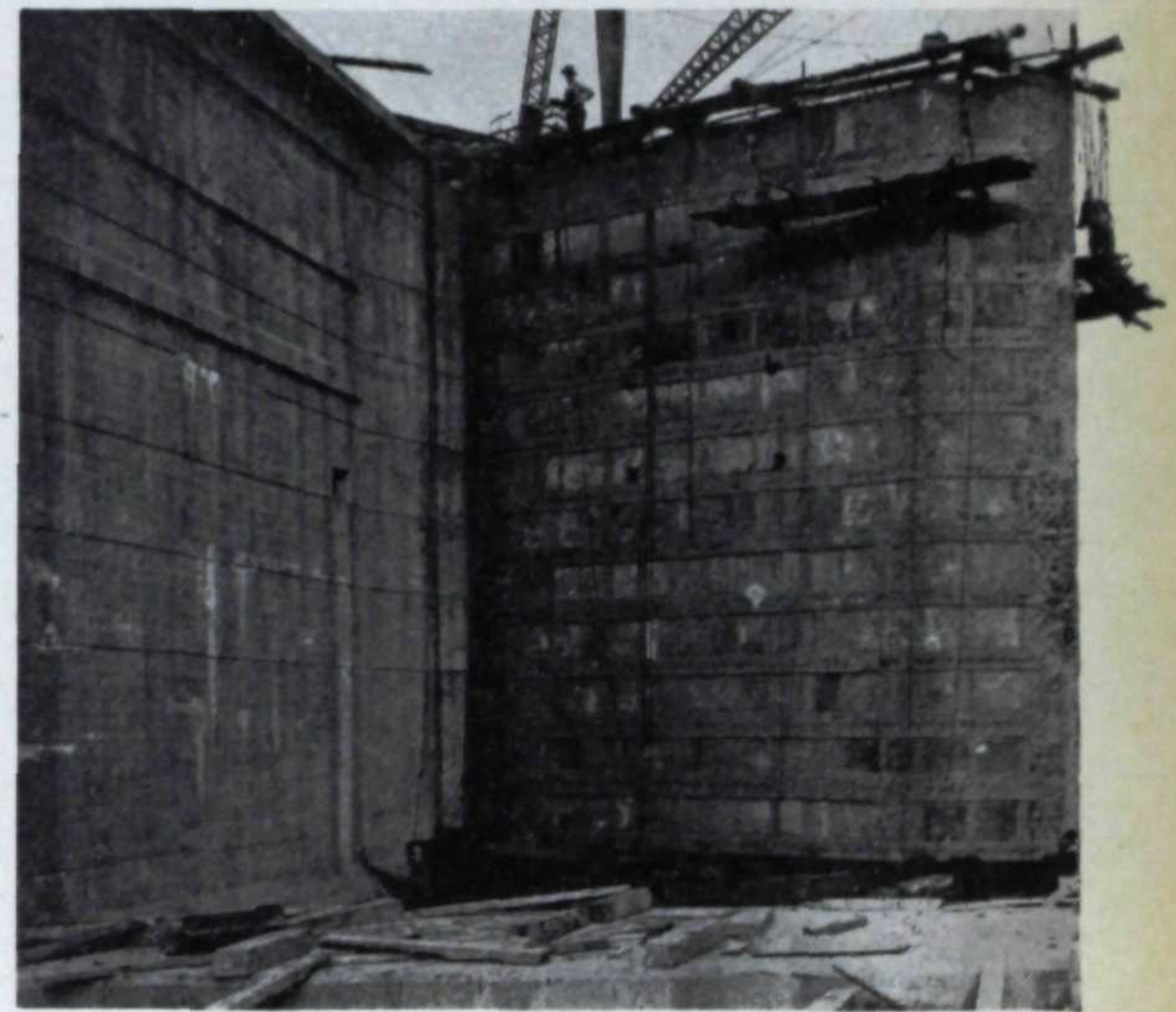
Twenty-four years ago the late John H. McGraw was elected governor of Washington on the cry of "dig the ditch," which precipitated one of the bitterest campaigns in the history of the State.

The canal was not dug while McGraw was governor; but a decade later, as president of Seattle Chamber of Commerce for four years, he worked with such effect that the United States made the main appropriation a short time before his death. It had been necessary to overcome resourceful and determined opposition, an opposition embracing various elements from the man who passively regarded the enterprise as useless and the owner of a lake-side summer home who thought the change of water level would disturb him, to large established industries, transportation companies, and other interests because of expensive readjustments that would be forced upon them.

Conceived by a United States Engineer officer, 60 years ago, the work today is being completed by a member of the same corps, Lieut. Col. J. B. Cavanaugh. Col. Cavanaugh has commanded a wide interest in his successful meeting of the engineering problems,

state appropriation of \$250,000 and a county bond issue of \$750,000 supplied the million dollars required for the excavations and dredging above the locks.

As indicated by the lapse of three score years since the enterprise was proposed, these things were accomplished only after long and persistent struggle on the part of those who believed in the canal. During a quarter of a century it at times became an issue in state and municipal politics, and in various of the Northwest business alignments.



The great gates which separate the sea from ington. This ship lock is capable of lifting built by the United States Government out-minutes for the main chamber of the lock

and commendation in his executive direction of the undertaking. General H. M. Chittenden, U. S. A. retired, former president of the Seattle Port Commission, had much to do, when in charge of the engineer's office in Seattle, with the preparation of the canal plans as finally followed.

Traffic is now passing through the locks from Puget Sound into Lake Union. It will not be able to continue into Lake Washington until spring. The process of lowering the larger body of water about eight feet will require several months before the dam is removed to allow navigation to enter from the connecting channel. Both lakes have ample depth for ocean shipping. The surface never freezes. There is no tidal variation. The extensive shore line touches many portions of the city so that the lighterage and barge traffic for the delivery of heavy materials will become an important consideration entirely aside from industrial development or general shipping advantages, which, of course, are paramount.

Here are some striking features of the canal: The walls of the lock are 55 feet high, 50 feet wide at the bottom, and 8 feet wide at the top. Two hundred and thirty thousand yards of concrete were used in them. There are two chambers in the lock, one for large vessels and the other for small craft. The big chamber is 825 feet long, 80 feet wide, and holds water 50 feet

deep. The small chamber is 150 feet long and 30 feet wide. A boat can be put through the small lock in from five to ten minutes, and through the large one in twenty minutes.

Lake Union is about two miles long and a half mile wide. Lake Washington is more than twenty miles long and from

in the construction of bridges, sewer and water tunnels, the changing of street grades and property elevations is large.

An interesting phase of this development is that it makes an island of the main portion of Seattle. The Black River flows out of the south end of Lake Washington, reaching the Sound through the Duwamish River on the southern border of the city. (In years to come these river channels may be made navigable all the way to the lake.) The canal crossing through the northern section of the city from Sound on the west to Lake on the east completes the water boundary. In this the enthusiastic citizen sees a parallel to Manhattan. The harbor frontage of the port, all within or immediately adjacent to Seattle, will show a total of 130 miles as soon as Lake Washington is accessible.

THE WHY OF THE TRADE PAPER

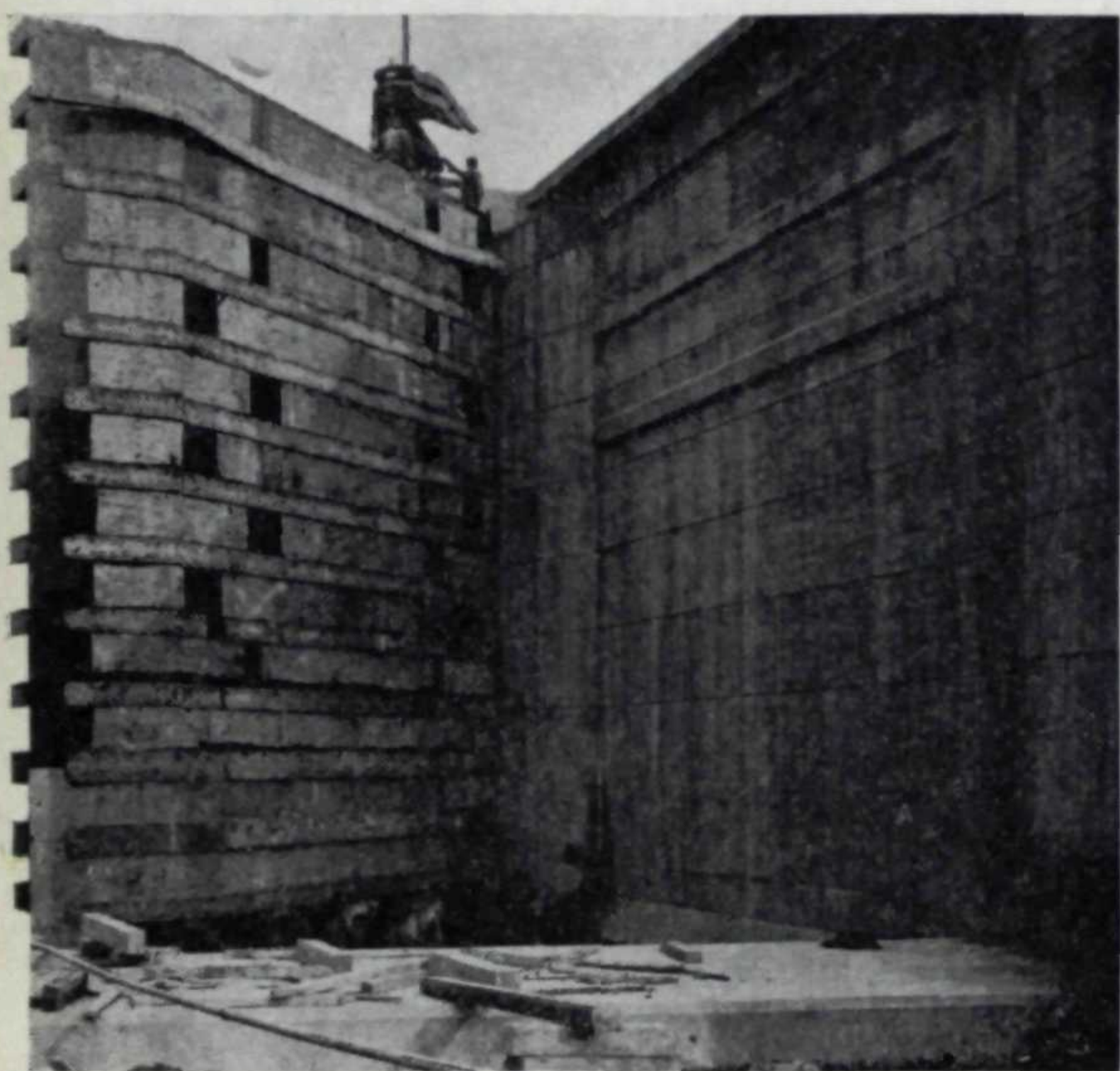
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men in his trade. It comes pretty close to professional spirit. . . Unwittingly the trade paper has helped to break down the isolation of the individual and to bring about a social consciousness. Democratic America has been charged with dreadful waste in its industries because of the individualistic tendencies of its members. Trade papers have done their share—and more—to impress upon modern business that it cannot live for itself alone, that the modern sociologist is right when he states that there is no such monster as an "individual consciousness" independent of and separate from the "social consciousness."

And how much might be said of the codes of ethics that have been formulated and are formulating in various trades because of the inspiration of the trade press. These working principles brought into concrete being will finally develop the true professional spirit and make business indeed a profession. Vague notions of right conduct are crystallized by the trade press into principles of action, and possibilities, hazy even to the mind of the man with idealistic vision, are now coming into the foreground sharply and incisively defined to the sight of all.

This, then is the big *why* of the trade paper.

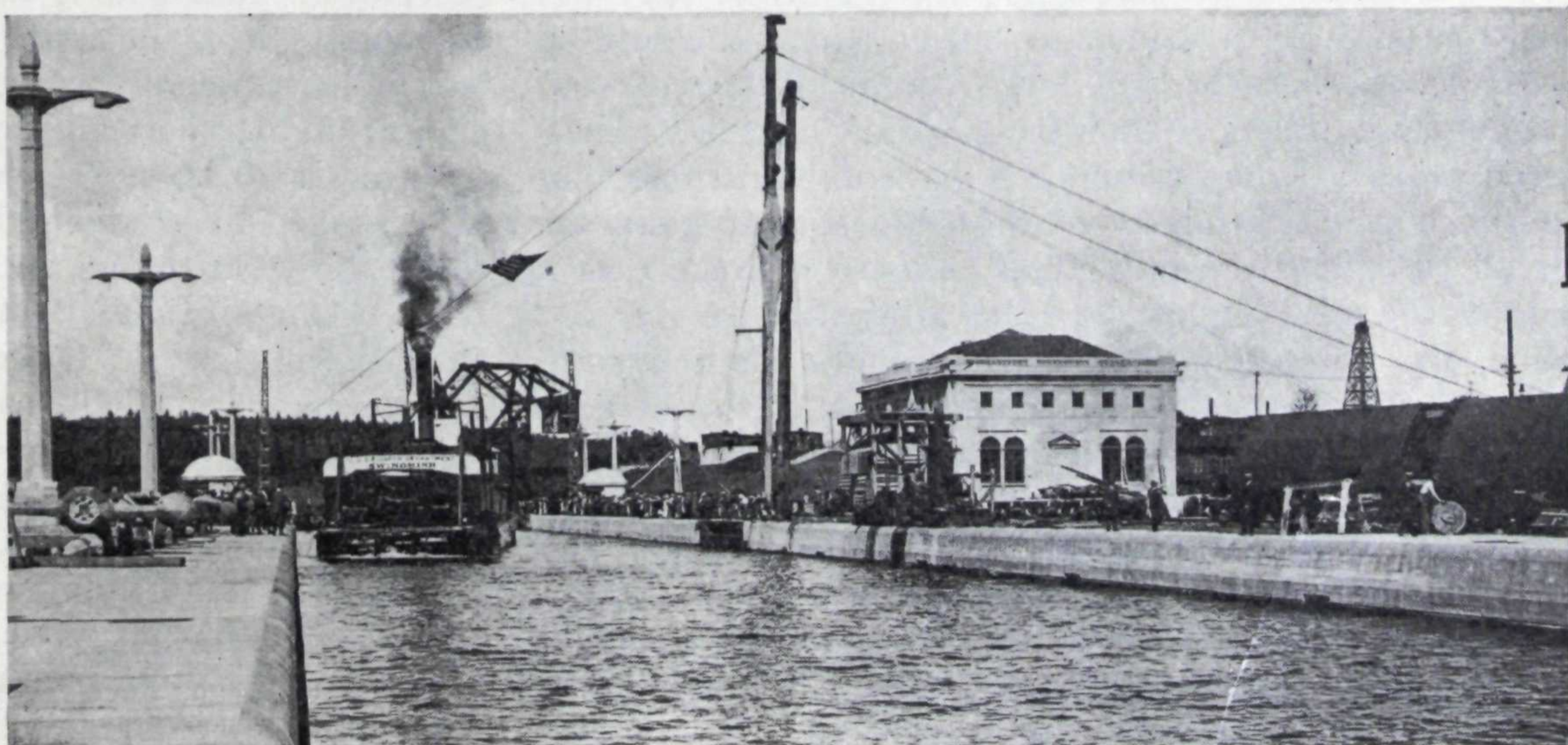
The first boat lifted from Puget Sound to the surface of the canal and fresh water lakes, ready to proceed into the new basin. The smaller chamber of the lock has a depth of thirty feet of water and can put a vessel through in from five to ten minutes.



the waters of Lake Union and Lake Washington larger vessels than any similar structure side of the Panama Canal. It takes twenty to handle the largest vessel on the Pacific.

two to four miles wide. The canal has a depth of thirty-six feet of water, and is 100 feet wide. Four million yards of earth have been dredged and excavated.

The government made a first appropriation for surveying the route in 1890. Work started on the lock November 10, 1911. The aggregate cost of right-of-way, damages, locks, excavation, revetment, and other features approaches \$5,000,000. The outlay necessary



A Museum to Stir Up Foreign Trade

Julean Arnold, American Commercial Attache at Shanghai, Points Out the Difficulties of a Permanent Exposition Plan, and Suggests How the Difficulties Might be Overcome

DECORATIONS BY H. DEVITT WELSH

A COMMERCIAL Museum in Shanghai, with branches in half a dozen other Chinese cities, for the display of American products with facilities for taking orders and effecting sales, with similar museums in the United States for Chinese products has been suggested from time to time. It has also been proposed to organize private companies which will provide display rooms in China and the United States where space may be rented by prospective exhibitors.

There must be a distinction made between the methods to be adopted for selling American goods in China and selling Chinese goods in America. The proposals thus far put forth suggest selling American products through Chinese organizations and Chinese products through American organizations. Any such proposal is doomed to failure. So far as the sale of American products in China is concerned, this cannot be done successfully in a large way through Chinese organizations. Practically all of the foreign goods sold in China are imported and marketed by foreign firms. The Chinese merchant has not yet developed the company or corporation idea. As an individual the Chinese merchant is a success, but as a member of a company or corporation he is not a success. It is true that that there are some successful Chinese corporations but these are so few as to be a negligible quantity. For the present and probably for some years to come, it would be distinctly unwise for any large American interests to entrust the handling of their business in China to Chinese corporations. This statement is made not as a reflection on the business integrity of the Chinese merchant, for we all recognize the individual Chinese merchant as a man of the very highest business integrity. In the first place, the Chinese methods of business, their system of bookkeeping, their lack of appreciation of the advantages of advertising, their failure to grasp the importance of organized salesmanship, and their general lack of experience in conducting big business have up to the present made impracticable the handling by them of such business as would be involved in the successful operation of the Commercial Museum idea. Some of the southern Chinese particularly Cantonese business men, have shown

a certain amount of ability in organization, but, in general, success in this direction in a large way is yet to be demonstrated.

It is presumed that any provision for the display of American products will include all lines of American manufactured articles. Probably the most promising field for foreign activity lies in machinery and metal products. There are probably no people who know less about these products than do the Chinese. Thus the sales of American products in China would be entrusted to those who know least about them, if we were to open these commercial museums under Chinese auspices. (The day is past in China when any one can claim to be able to sell anything.) The time has now come when the salesman must be a man who knows his goods as well as the conditions under which he must sell these goods. Thus, at present, and probably for a number of years to come, it will not be possible to find Chinese who can handle an exhibition of American goods.

Not only will it be impossible to establish this commercial museum successfully under Chinese auspices, but it would be equally disastrous to entrust the work to inexperienced Americans.

But I believe there is one way in which the display of American goods in China in central display rooms may be made successful. Shanghai is the trade center for all of China. Merchants from outlying provinces even as far up as Szechuan come to Shanghai to make purchases. An exposition of American goods in Shanghai could be made to interest all these merchants. This exposition should be managed by competent Americans chosen rather for their ability to make the exposition feature a success than because of any ability as salesmen. Visitors to the Museum should be referred to the selling agencies for purchases of goods, samples of which are displayed at the exposition. This central exposition building would have the advantage over individual exhibits in the sales rooms of American firms represented in Shanghai in that large numbers of Chinese would visit the exposition hall who would not visit the sample rooms of various individual firms.

It must be remembered that the Chinese dealer, in



"The day is past in China when any one can claim to be able to sell anything"

making purchases from foreign firms, wants to be able to deal with someone in China representing this firm's interests who can attend to all questions arising out of the shipment and delivery of the goods purchased. In other words, he wants to deal with someone on the spot who can adjust claims for breakage and at the same time keep him posted as to when he may expect to receive his goods. He wants more than this, for when the goods arrive he may not be in a position to take delivery of the entire shipment so that the representative in China of the American manufacturer will be called upon to hold a portion of the shipment until such time as the Chinese dealer is able to take delivery thereof. The American representative will in this case be obliged to finance the order, probably by arranging with a bank in China for an over-draft, the interest on which will be paid by the Chinese purchaser. A word of explanation from the manufacturer's representative here will often clear up a difficulty which, if the transaction were carried on by correspondence, would involve far greater difficulties. The manufacturer's representative in China will often save a customer for the American manufacturer by meeting certain demands made by this customer, which would appear

unreasonable to the concern eight or ten thousand miles away. In the question of claims for breakages, the American representative in China will often meet small claims himself rather than take any chance of losing a good customer by refusing these claims on the ground that the shipping companies will not reimburse him. Thus, there are numerous conditions which make it desirable for the American manufacturer in ordinary cases to have his representative in the field, as the Chinese have learned to do business in this way, and it is a question whether the time has yet come when it is possible to conduct it successfully in any other way.

Once the exposition at Shanghai had proved a success branch expositions in other important Chinese cities could be started along the same lines.

As for the Chinese exhibits in the United States, their success would

depend upon the ability of American organizations in China to meet the demand created by the samples shown.

The Chinese producer has not yet learned how properly to prepare his products for the foreign consumer. Were a firm in New York to place an order with a Chinese firm in China on the basis of the sample of goods as displayed in the exposition of Chinese products in New York, there would be no guarantee of his goods meeting the sample requirements or being shipped in

accordance with the special instructions, unless handled through a foreign firm in China conversant with requirements in the American market. For instance, if an American firm in New York were to place an order with a Chinese firm in China by correspondence, for a certain amount of woodoil, he would risk the chance of receiving adulterated oil instead of the pure article, unless he had his American or other foreign expert in China to inspect the shipment before it left the country. Undoubtedly the time will come when it will be possible to make direct purchases of Chinese goods from Chinese dealers, but for the present this cannot be done without a very considerable risk.

The exposition of Chinese products in America could, however, be made very advantageous to Chinese trade in the United

States, but it should be done in a similar manner to that recommended for the exposition of American products in China. Intending purchasers should be referred to reliable American firms in China with whom orders may be placed, for they are, generally speaking, in a position to furnish the expert service necessary to the compliance with the sample specifications and the satisfactory shipment of the goods ordered.

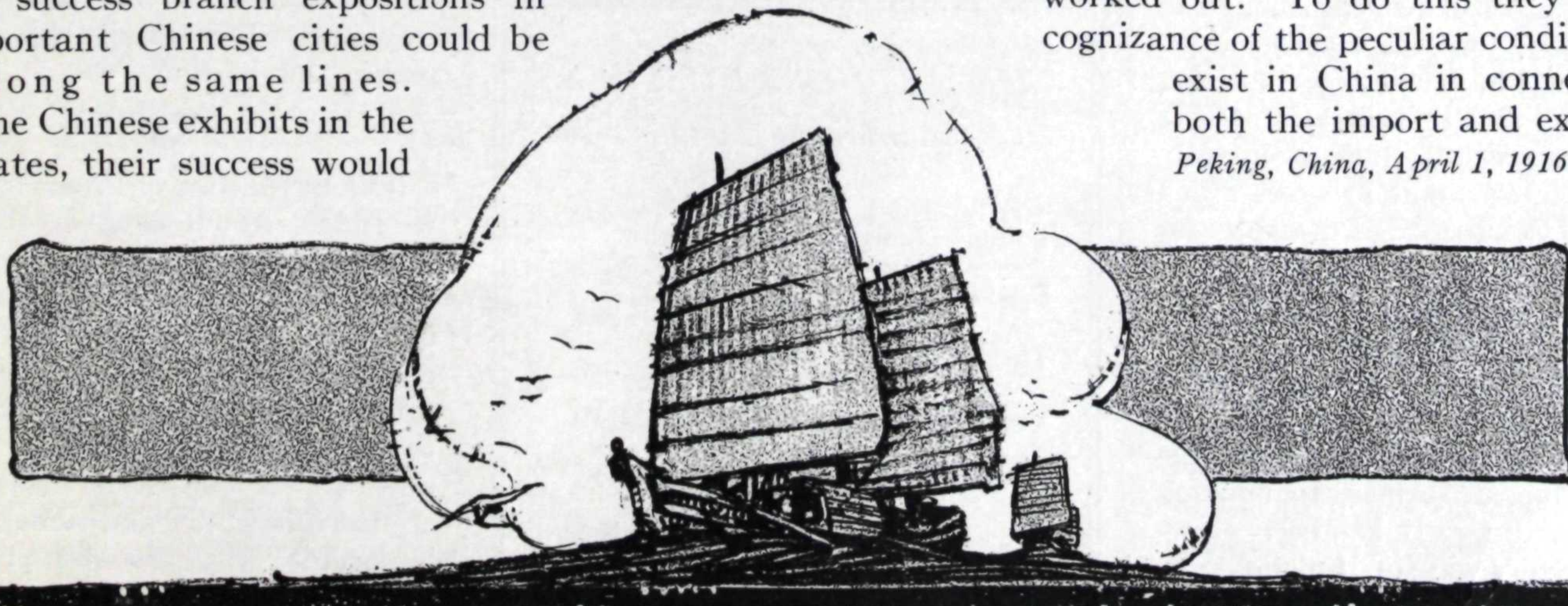
Thus, while the exposition idea has many commendable features, those who would interest themselves either as shareholders or as exhibitors in connection with any of these exposition proposals should first satisfy themselves that the plans can be successfully worked out. To do this they must take cognizance of the peculiar conditions which

exist in China in connection with both the import and export trade.



Peking, China, April 1, 1916.



"The Chinese producer has not yet learned how properly to prepare his products for the foreign consumer"



THE NATION'S BUSINESS

 *A Magazine for Business Men* 
WASHINGTON, OCTOBER, 1916

VOLUME FOUR

NUMBER TEN

THE FUTURE never was scanned for a solution of its mysteries as it is today. In the scrutiny, however, there is not so much anxiety as alertness. Certainly anxiety does not characterize the nations at war; their peoples on both sides seem stout-hearted with a great confidence of martial victory and of the victories of peace that will follow. Neither is there any general anxiety in such parts of the world as remain neutral, since they have solved the war's early economic problems and are prosperous.

Alertness nevertheless is everywhere in the air. Before there are any signs of an armistice belligerent nations are trying to hit upon concerted plans that will have their effect in the years which follow peace. Such a task is hard. England and her allies no sooner formulate the principles of a concerted plan than prominent Japanese pronounce the scheme as sure to fail because of its own internal defects. Neutral countries, too, have been busy with their plans and sometimes appear to have become dismayed upon realizing that their desires may have outrun their discretion. Thus it happens that all the chancelleries of the world are examining the future with calculation.

Alertness likewise exists in business circles. The future effect that extensive development and thorough-going organization for war purposes will have upon iron and steel industries and the possibilities of transforming the products of powder factories into combs for women's hair and spectacle frames for students merely illustrate the questions which business men are revolving in their minds. If they are not analyzing the problems of production and markets they are estimating the facilities for ocean transportation, trying to decide whether or not the Federal Reserve System has yet become strong enough to check inflation, or speculating upon other problems which will affect business far and near. Such vivid alertness is very likely to record itself eventually in a measure of economic progress which will make this decade memorable for many generations



THE BANKS have an organization which, begun in 1875, received its sixteen thousandth member on the last day of August. American banking has been expanding. It has been growing in diversification of functions as well as in volume of business. Some of

its new activities, such as collection of a part of the Federal income tax, have been thrust upon it by legislation. As a consequence, in preparation for the annual meeting, which began in Kansas City, on September 25, the association's organ declared that so numerous and so acute problems have never before confronted bankers. It pointed out that all commercial precedents have been upset by the European war and all business processes are subjected to a new scrutiny from all sides.



AMERICAN DOLLARS are valuable these days. In many parts of the world they command premiums. About the middle of September Russians were paying the ordinary equivalent of \$1.66 for an American dollar, Italians were offering \$1.20, the French \$1.12, and Englishmen and Swiss about \$1.02. At the same time business men in Argentina were paying only half a cent premium for American dollars, and Scandinavians and Hollanders were getting bargain prices. The former paid 93½ cents and the latter 98½ cents. Japanese, too, were getting American dollars at a discount, paying around 97 cents.

Exchange is a very complex and mysterious thing in its details. It reflects all the currents and cross currents of international trade and sometimes much else besides. Since the United States in its trade with Japan buys twice as much as it sells the reason for the American dollar being at a discount in Japan is fairly obvious. In trade with Holland and Scandinavia, however, conditions are exactly reversed, and our exports to these countries greatly exceed our imports.



THE ECONOMIC ALLIANCE outlined at Paris in June has been followed by some plans for new organizations in England. These new organizations, it seems, are running counter to some of the existing associations. After commenting upon

the apparent disinclination of engineering and shipbuilding concerns to abandon their existing national organizations for the new British Engineers' Association, a London weekly continues, "Then there is the Federation of British Industries Association. It professes to be a 'central organization of manufacturing industries,' and it seems to have obtained a fairly good footing in the English Midlands, and to have raised a lot of money. There is also the British Empire Producers' Organization, the rock-bottom principles of which I don't know, but which has also been holding meetings in different places and strafing the Germans. It is clear that we are in imminent danger of being drowned in oratory, shackled in wires ready to be pulled, crushed in a maze of machinery, and left wandering in a wilderness of overlapping organizations. If we survive at all, we may consider ourselves lucky, whether or not we have trade left. A plague on all organizations that would mean more machinery, and more palaver, and more talkee, talkee."



COMPETITORS usually help one to get a true perspective of things. A statement written in Buenos Aires from the British point of view and printed in London reads: "Our trade with the United States shows no signs of falling off, and our Yankee cousins are certainly making hay whilst the sun shines. Many consider that directly the war is over the Yankee competition will be blown to the four winds. It is a great mistake to be too sure of this. Our American rivals are obtaining a strong hold of this market, and are not likely to relinquish it without a struggle; moreover, they are getting a good experience of Argentine and South American requirements, which is likely to stand them in good stead when the commercial warfare really begins. The Teutons may be unable to deal largely here after the war (although it would not be wise to bet on t), but certainly the ubiquitous Yankee will be here in his place, and doing business on the same terms. It would be well for the British merchant to realize this in time."



THE SUPREME COURT sits from October to June. About October 10 it will be hearing arguments in the Government's suit under the Sherman Act involving questions of a combination in the anthracite coal trade. In all there are fifteen cases under the Sherman Act to come before the court, as the records now stand. Most of them will be argued this winter and some of the most important will probably be decided.

A few of these cases were argued last

THE NATION'S BUSINESS
As Reflected in the Month's News

Taking Thought of the Morrow

Bankers, too, Have Problems

The Fickle American Dollar

The Way of the Organizer is Hard

Our Competitors are Scared, Too

The Supreme Court and Its Grist

year, but at request of the court are to be presented again. The most notable instance is the case against the Harvester company. In this case the lower court interpreted the Sherman Act strictly, whereas in another case before the Supreme Court, against the Keystone Watch Case Company, the lower court in another part of the country construed the law more liberally. The Supreme Court will presumably say which of these interpretations is correct.

Other cases involving the Sherman Act concern towing on the Great Lakes, the iron and steel industry, manufacturers of shoe-making machinery, steamship pools, bill-posting, motion pictures, grain exchanges, the manufacture of products from corn, photographic cameras and supplies, etc. In some of these cases the questions before the court will be merely technical. The Clayton Act with respect to tying clauses will also come before the court, if the case is reached this winter.

Another case of general interest arises out of the provision in the tariff law of 1913, which undertook to allow a reduction of five per cent of the duties for merchandise imported in American vessels and at the same time sought to prevent difficulties under treaties which say that the vessels of other countries are to have the same privileges as American vessels. The decision in the lower court has been satisfactory neither to the government nor to the importers who seek rebates of duties.



AMERICAN EXPORTS in August broke all records both for the United States and for the world. No nation ever before in one month sent such a value of goods to foreign countries. The total was 510 million dollars. Reports for the port of New York show that in August it was the gateway for a value of 87 million sent to the United Kingdom, 50 million to France, 41 million to Russia, and 19 million to South America; to all countries it shipped a value of 271 million—or something like 130 million more than in August of last year.



JAPANESE FOREIGN TRADE is not a thing that goes by haphazard. Just now the Japanese have an Economic Investigation Commission at work examining its own situation present and future. All-told, fourteen subjects appear to be under consideration by the commission or its sub-committees. They include the pros and cons for the establishment of a Japan-China bank and of a Japan-Manchuria bank, means of regulating the freight space available in steamers, continuation of newly started industries in the post-war period, im-

provement and standardization of qualities in Japanese goods that are exported, and other questions which have a direct relation upon the future of an enterprising nation.



ENGLAND'S EXPORTS, too, went upward in value during August, reaching 223 million dollars, a figure at which they have not stood since January, 1914, and double the value in the month when the European war began. At the same time England has been able to reduce her imports somewhat.

Into the values expressed by English statistics current prices enter, just how much, however, cannot very well be estimated. To make the French statistics of its foreign trade for August comparable with the figures of two years ago it is said in France that there must be a correction of ninety-one per cent on imports and fifty per cent on exports.



COMMERCIAL COMMISSIONS are much in vogue. A group of Canadian business men travelling more or less officially has been holding conferences with manufacturers in most of the important centers of the United Kingdom. Japan has recently organized her second commercial commission, a multiple affair. It is divided into eight parties, each with experts and officials. One party will tour Siberia and Russia, another will proceed through China, a third will go to Europe, the fourth to South Africa, and so on in such a way as to cover pretty much the whole world, including the United States and Canada, Australia, India, and the East Indies and Philippines.



OCEAN FREIGHT RATES and their effect upon American business have been cited in some striking instances. A hundred or so iron beds invoiced in the United States at \$339 developed freight charges of \$686 in getting to Straits

Settlements,—a place half way round the world to be sure but not exactly off the routes of trade. A shipment of glassware which had a value of \$526 f. o. b. New York, accumulated charges for freight and insurance aggregating \$534 in getting to South Africa. To get thirteen hundred dollars worth of nails to South Africa it cost six hundred dollars. Of course, times are abnormal, and so are ocean freight rates.



BUTTONS for the most part are unobtrusive. To many people, especially men, they are unconsidered trifles and utilitarian necessities. The European war, however, helped to bring out the importance of buttons. Most of the world except the United States depended upon belligerent countries for its buttons, which in reality have more varieties than the Hindu social scale. Their materials range from precious stones and metals to ivory nuts, clam shells, and very recently the pulp of soya beans.

For some qualities the United States was dependent, too, but it manufactures twenty-million dollars worth or more a year, making about one-fourth this value from the shells of fresh-water mussels. The Government itself is interested; it seeks to perpetuate the mussel in western rivers and it describes the markets of the world for buttons of every degree. In two years our exports have trebled.

The civilized history of the world did not begin until buttons were invented, according to a trade paper which does not give the date or the inventor's name. That the manufacture of common grades of buttons is itself modern is very apparent. About ninety per cent of the manufacturers who use shells taken from the Mississippi and its tributaries formed an association in September and at once considered a uniform system of cost accounting. The clammers who gather the shells also came in for consideration as a decided problem. At times these clammers apparently find their vocation as remunerative as real divers for pearls. In six weeks one of them made a thousand dollars clear profit, and forthwith knocked off work for the year. Such an inclination, and it seems to be general among clammers, causes difficulties for the manufacturers.



EXPORT FREIGHT RATES, it has been repeatedly pointed out, have been lower on some commodities than the rates for the same transportation by rail when the articles are for domestic use. The export rates the railroads generally undertook to eliminate on October 1, with respect to iron and steel. As a result, steel mills with foreign orders to fill

THE NATION'S BUSINESS *As Reflected in the Month's News*

Uncle Sam Annexes a World Record
England's Exports Jumped, Also
Japan Studies Foreign Trade
A Trade Commission's the Thing
Ocean Freight Rates Abnormal
Lo, the Common Garden Button
Export Freight Has an Edge

sought to ship as large quantities as possible before October 1. On September 29, however, they received more grace, at least, through the Interstate Commerce Commission, which ordered that there should not be any change before January 29.



COMMERCIAL TREATIES are pretty sure in the early future to have a place of increased importance in international trade. Since the old treaties were signed a great deal of water has run under the bridges. A treaty with Australia is being urged in Japan. Considerable increase in Japanese-Australian trade and the action of Japan in employing a trade advisor from Australia have undoubtedly prepared the way. The Japanese have been active, too, in establishing Australian agencies on a permanent basis.

In another part of the world a new commercial treaty between England and Portugal went into effect on September 23. It decreases import duties upon some forty articles from England, allows corporations of one country to do business in the other upon becoming registered, and facilitates entry of commercial travellers and their samples. It is expressly stipulated that if any new international arrangements are proposed in consequence of the Economic Conference held at Paris in June the present treaty is not to stand in the way.

Paraguay and Argentina have a new treaty. Although Argentina like most South-American countries depends for its support very largely upon import duties, the two countries have agreed not to levy import taxes upon products and manufactures of the other. This arrangement is to become at once effective with reference to most articles, although it is postponed for five years with respect to a few articles such as sugar and boots and shoes.



OCEAN TRAVEL is a business and political necessity in the British Empire and is accordingly organized and correlated. If an Englishman desires to travel eastward to London from Hong-kong, he takes a very comfortable steamer, reaches Shanghai in two days, is in Japan after another day's run, has two days there, and crosses to Canada in ten days. Checking his baggage he need not worry about it again until he finds it on board the Atlantic steamer. He gets across Canada to Montreal in four and a half days, and is ready to sail for England, again finding steamers that meet his ideas of comfort and convenience. For ocean passage and sleeping accommodations on the entire trip he pays about \$375 and counting in tips, inciden-

tals, and two weeks of sight-seeing in Japan and Canada he places the whole *ad damnum* at about \$700. Such a trip he considers remarkably well worth doing, and likes it particularly because he can always be under the British flag.

How far comparable facilities of ocean travel for Americans can be achieved under a new American merchant marine remains one of the questions of the future. For the present even the French excel us in passenger lines.



GOVERNMENT OWNERSHIP of merchant vessels is apparently to be tried in Italy through a corporation controlled by the government in partnership with the public. A company has been formed with a capital of \$100,000,000—two-fifths to be taken by the government and the balance offered for private subscription. Payments on subscriptions are to be in five equal annual instalments. The government is to take no dividends on its shares until other stockholders have five per cent, and in any event is to have only half their rate of dividend. The company is to purchase and construct steamers,—as much as 1,500,000 tons.

Enlarged subsidies are likewise used by the Italian government to increase its merchant marine. Increases became effective on August 8, and at the same time freedom from taxation for a period was offered to encourage construction and acquisition of ships.



A WATER ROUTE, one of the greatest of the world in amount of traffic, exists inside the United States and has been thronged with vessels while we have mourned the absence of the American flag in foreign trade. This route extends from the "head of the lakes" to the "lower lake ports."

Its traffic in iron ore has recently been sketched by the Interstate Commerce Commission, which apparently could not resist a temptation to turn aside from ton-miles. The first trial shipment of

Lake Superior iron ore,—a bagatelle of 100 tons—came eastward in 1853. Early cargoes went by sledge from the mines to the lakeshore, proceeded to Cleveland or Erie in small sailboats, and went inland to blast furnaces by canal boat. As late as 1890 the total shipments in a year were counted in thousands of tons. In 1915 it was 47 million tons and in the current year it will mount still higher. In a type of vessel specially developed for carrying ore, and affording easy opportunity for unloading by mechanical means, cargoes of 13,000 tons are not unusual. Merely for hauling this ore relatively short distances inland to the blast furnaces the railroads get twenty million dollars a year.



SHIPPING COMPANIES which do not have regular lines of steamers to maintain are in some instances selling their vessels at the prevailing high prices and liquidating as their profitable procedure. This has been the case especially in England. There have been stories about sales of cargo steamers at prices which meant two hundred dollars or more a gross ton; the average has been nearer \$100 or \$125 a ton. Before the European war the cost of building such vessels was placed at \$40 to \$50 a ton.

American owners have sometimes had opportunities to sell vessels at prices they thought worth while. Since the Shipping Act became law on September 7, however, they have been afoul of some difficulties. This new law says that an American vessel may not be sold foreign unless it has first been offered at the price proposed to the Shipping Board and been refused. As there is as yet no Shipping Board, owners will probably proceed as they see fit.



AMERICAN STEAMERS are constantly getting farther into the seven seas. Not long ago an out-of-the-way port of India reported with surprise an American vessel in its harbor. On September 12 the Pacific Mail sent a steamer from the Panama Canal along the West Coast of South America as far as Guayaquil, indicating that the cargo obtained would determine the continuance of the service. It is forty years since a steamer of this company went so far south.



NORWEGIAN STEAMERS on the Great Lakes were a novel sight in the late summer. Six have been under construction in yards at Cleveland, Detroit, and Chicago. The first to be completed sailed from Cleveland on her way to Norway through the Welland canal and the Saint Lawrence

THE NATION'S BUSINESS As Reflected in the Month's News

Commercial Treaties the Style
How An Englishman Travels
The Latest in Government Ownership
Introducing a Great Water Route
A Good Time to Sell a Steamer
American Ships to the Seven Seas
Norwegian Boats on Great Lakes

RAILROAD LEGISLATION, past and future, may be much discussed in the United States well into the winter. A joint Congressional committee was created in July, furnished with \$24,000, and asked to report not later than January 8 on the principles which should be used in regulation of interstate transportation. It will begin public hearings on November 20, sitting at first in Washington and subsequently in other cities.

The concrete subjects which will come before the joint committee were outlined in the middle of September by the chairman, who addressed the Chicago Association of Commerce. Pointing out that the inquiry will extend to every kind of transportation by land and water, the chairman referred mostly to transportation by rail. He mentioned reorganization of the Interstate Commerce Commission, its possible relief from such duties as valuation of railways, and its division either into departments by functions or into departments that would sit in different parts of the country, perhaps with a central body of appeal in Washington. He enumerated, too, Federal control of issues of railway securities to the exclusion of State control, Federal incorporation of railways instead of State charters, taxation of railways by Federal authority as an alternative for taxation by the several States, hours and wages of railway employees, some effective method of adjusting disputes between railways and their employees, and the method of acquisition in the event government ownership should prove desirable.



FREIGHT CARS are of prime importance to every business in the country. This year there are not going to be nearly enough to go around. There are eight hundred thousand more of them than fifteen years ago, and altogether there are two million. On the average each of these cars goes farther on each trip, and carries more, than in 1900. But the volume of freight to be hauled this year outstrips all these increases.

The hardships which result to business men when there are not enough cars can be materially lessened if every receiver and every shipper of freight shows a spirit of cooperation and of enlightened self-interest by loading every car he receives to its capacity, doing it with the greatest expedition possible, unloading incoming freight as fast as is physically possible, and forthwith speeding each car on its way to do another job of hauling.

This is no time for using freight cars as temporary warehouses. Any general failure to understand this fact will assuredly bring upon all shippers the large increases in demurrage charges

against which lumbermen in Louisiana are already protesting.

By the middle of August there were reports from the west that wheat in some places was piled on the ground along railway tracks for lack of cars and many farmers were accepting materially less than the market price for grain because of the uncertainties of transportation. In the Pittsburg district railroads and shippers' associations have been sending out circulars in an endeavor to bring the situation home to the men who can alleviate it. The Connellsville coke fields are said to be reducing production because of scarcity of cars coupled with lack of labor. The Interstate Commerce Commission appealed to shippers and railroads for cooperation early.

Actual figures for the situation on September 1 have been published. On that date requests for 57,000 cars could not be met and surplus cars at other points in the country numbered 43,000. Thus, there was a net shortage of 14,000. This figure, which is more extreme than the comparable figure for any earlier year, presages the greatest shortage of cars in October and early November the United States has ever known.



FEDERAL VALUATION of the physical properties of the railroads has been in progress since 1913, when Congress required the Interstate Commerce Commission to undertake the task. The present cost to the Government is about \$3,500,000 a year. The special staff of 4,000 men organized by the Commission is said to be able to deal with as much as 50,000 miles a year out of the 250,000 miles of railway in the country, although railway officials, who have organized special staffs of their own to work with the Government's forces, scarcely expect such rapidity. Valuation of several of the smaller railways has been tentatively completed and will be discussed at hearings before the Commission before they are made official and sent to Congress.

THE NATION'S BUSINESS *As Reflected in the Month's News*

What to Do with the Railways?

More Freight Than Freight Cars

What are the Railways Worth?

Britain, too, is Looking for Dyes

Demand Runs Faster Than Materials

Better Get Your Winter Coal In!

The use which is to be made of the valuation that is in progress has never been indicated by Congress. The National Association of Railway Commissioners has pointed out that the use may be for rate making, as a basis for regulating securities that are issued, for public acquisition, or for any one of a number of other purposes.



"BRITISH DYES, LIMITED" is the company subsidized over a year ago by the British government in an endeavor to provide colors for British manufactures. It is operated with a board of directors, a technical committee, a research department, and an advisory council.

Besides indicating the manufacture of dyeing materials that has been accomplished, the first annual report shows that twenty-seven acres of new floor space has been added to the buildings acquired from the company that was taken over, that research in coal-tar chemistry is being organized in British universities, and that plans are progressing through the universities for increasing the number of chemists trained in the technology of coal-tar products. Moreover, the English corporation is working in cooperation with a French company which likewise has the support of its government. Cooperation is planned by these companies with dye makers in England, France, and other allied and friendly countries.



MATERIALS have become increasingly hard to get, not because of their small quantity but because increasing supplies have had to meet a still more increased demand. There are stories of materials ordered as long ago as last October being delivered only in July. Some data for the electrical industry goes to show that an order for small tools may not have concrete results in less than twelve weeks, orders for brass or copper are not likely to be filled within less than five months, and steel plates can be expected in something like ten months. Some manufacturers are placing their own men at the mills from which they buy, to endeavor to expedite their supplies. Others are paying considerable premiums for early deliveries.



COAL is going to be a pretty hard thing to get before long. Some users have laid in stocks during the summer. For others the operators of mines see only difficulties.

During the first six months of the year the mines seem to have attained their greatest production of coal, according to one figure turning out sixty-one million tons, an increase of thirty-five per cent. In August 451,000 cars of

coal were sent from the mines, or 42,000 more than in August last year. These figures may presage a production this year of 597,000,000 tons of which 550,000,000 would be bituminous. In a sense the consumption of eight million tons of coal a month represents the increase of industrial activity this year over last.

But consumption of coal has been on a huge scale. At the first of July it was estimated that stocks of coal at the head of the Lakes were so low that they could not be replenished during the summer by water shipments sufficiently to avoid a shortage in the winter.

Shortage of labor at mines and at docks where coal is handled and shortage of cars are described as the chief elements in the situation that is developing. A coal-handling dock at Chicago, which normally employs seventy men, as few as eleven or twelve have been at work, because more could not be found. Lack of large stocks of water-borne coal along the Great Lakes will of course increase the demand for cars to carry coal to the districts supplied from the ports, and this at a time when the demand for any kind of car is already great.



FARM MORTGAGES, to which a certain stigma has attached in the past at least from the borrower's traditional point of view, have worked into a desirable position. The demand for them on the part of investors is said to have outrun the supply. Inquiries for this sort of investment seem to have developed at a time of year when farmers do not seek increased ready capital. Consequently, the circumstance that in a sense there have been in midsummer some paradoxically unsuccessful endeavors to lend money on agricultural lands may have no great bearing on the prospects of the new Farm Loan Act.



LABOR DILUTION as practised in the new industrial organization of England is a form of scientific management. Early in the war many skilled men enlisted from iron and steel plants and shipbuilding yards. "Dilution" was invented to meet the situation.

The idea is that all available skill should be completely utilized. In each plant that the government found necessary to control for military purposes the task of each employee seems to have been studied. Wherever a man was engaged upon any operation beneath his best skill, he was given a task which utilized his entire ability and a less skilled man who was really adapted was given his old job. Men were also shifted from one establishment to another. Finally, wo-

men were placed in the plants for operations for which they were sufficiently skilled, or which required no special training. In 150 of 300 establishments controlled by the government on the Clyde fourteen thousand women were introduced.



NEGRO LABOR has been the reliance of the South, especially in agriculture. This dependence has recently been outside the possibility of immediate change, because immigration from European countries has greatly decreased.

Upon the South's supply of labor demands of the North have lately been making inroads which have been a source of misgivings. There have been statements that industries in New York and Pennsylvania could use two million southern negroes in the next year. Emigration of such a number is of course rather improbable. Nevertheless, estimates of the negroes that in six months have gone to the industries of northern States run as high as half a million. It is said that one railway took four thousand to work upon its right-of-way.

In some parts of the South legislative steps are apparently in contemplation. Whether or not legislation proves feasible the South is very likely to adopt the point of view of housewives about it being extremely bad manners to entice away a neighbor's cook or washer-woman.



COFFEE-MAKING has had expert and scientific attention from associations in the coffee trade, apparently without very happy results. Last month when a committee of a national association undertook to tell housewives how they could improve the coffee they brew, a California association protested. One of the trade papers concludes there are about as many good ways of making the coffee beverage as there are competent housewives, and registers its opinion against

any effort to restrain idiosyncrasies that are palatable. It sees great prejudice to the business of coffee roasters and dealers if the public is led to believe there is only one correct way of making coffee. The extent of the business jeopardized is great; estimates of the amount of money spent each year for coffee in the United States are in the neighborhood of three hundred million dollars. The per capita consumption of coffee in the United States is around eleven pounds a year; on the average Hollanders are the most doughty coffee-drinkers, using slightly over fifteen pounds a head.



THE CHEMISTS are hailed as "the men who have turned the deserts into modern Ophirs, who have successfully drawn from the earth 'the fullness thereof,' and who have harnessed Niagara and converted the torrent into a source of power for the marvels of electrochemical industry." Even though other sorts of engineers might claim some small part in these quoted achievements, the chemical engineers have in the last two years been looked to for results which fall little short of alchemy.

An exhibition of what has been done has been in progress in New York, in connection with the annual meeting of the chemical society. With the uninitiated a balance so scrupulous that it played antics under the weight of a mote of dust was most popular. The chemists themselves and others who knew had other things to consider. They might turn to medicinal chemicals now made in the United States but until two years ago imported from Europe, or they might examine bleaching powder and coal-tar dyes for which an utter famine at one time seemed imminent, with a prospect of mills closing in all directions for want of colors. Two years ago one concern was reported making aniline colors; now it is said there are forty. The census of chemical industries taken by the government in 1914 is now thoroughly obsolete.

THE CHINA TEA CUP came to the western world with tea, and like other exotics has had strange experiences in new lands. The Chinese used saucers to invert over their cups while the tea brewed within, subsequently decanting into a cup without a saucer from which they drank. The English declined, however, to submit to dictation, and placed the saucer firmly beneath the cup, considering that they heightened the ornamental effect. Still worse, they began to drink from the saucer, after brewing the tea in a common receptacle.

THE NATION'S BUSINESS *As Reflected in the Month's News*

Wanted: Farm Mortgages

Finding the Job for the Man

Stealing the South's Hired Help

Let the Coffee-Maker Alone!

Chemists Take Stock

The Saucer on Your Table

Cups expanded in time and saucers contracted, the latter to less than three inches across. Later the operation was reversed and cups came down to an inch and a half whereas saucers went to five

inches. The present dimensions, no matter how varied, are a kind of compromise, and we have reverted to Chinese notions about drinking from the saucer.

A Winter of Legislation

The Coming Session of Congress will have Much to do with Measures Affecting Commerce and Industry

THE "short session" of the Sixty-Fourth Congress will convene at noon on December 4, with calendars of bills ready for immediate action. Time will be short; in the twelve weeks of the session twelve important appropriation bills have to be passed.

Government departments are already making estimates to ascertain what money supplies they will ask. The aggregate will again be in the neighborhood of a billion and a half dollars.

The spending of such a sum is subject enough perhaps for twelve weeks of debates. While one House is waiting on the other, however, and before committees report the appropriation bills, there will be opportunity for several weeks of debate on general legislation, and at the very end of the session there will be great endeavors to have bills passed before the final adjournment. Otherwise they will lose all the advance they have made in two years. In such a competition as may begin in December and reach its climax at the first of March advantages already gained are highly important.

It happens that the most important bill which has got farthest is in difficulties.

A bill dealing with water-powers on navigable streams has passed both Houses, but with variance in form and principle. The representatives of the House and the Senate who were appointed to compose the differences have made little progress since they began their task, in July. The prospect is that the conferees will rewrite the measure. If the conferees succeed in agreeing, the bill they draft will very likely be taken in many ways as an exemplar for legislation dealing with waterpowers on public lands and on the calendar ready for action in the Senate, having already passed the House.

The present law regarding dams on navigable streams, enacted in 1906 and amended in 1910, is generally conceded to be unsuccessful. It has led to construction of only one-sixth of the projects for which Congress has given its consent. Congress now has to solve the problem of making its statutory conditions such as to make secure the large investment of capital represented by each hydroelectric

development and at the same time to provide for possible contingencies affecting the public interest in the future.

In the bill regarding waterpowers on the public domain a large part of the West sees another problem. It contends that since other natural resources have been granted in fee simple the resources in waterpowers should be no exception and should not merely be leased by the Federal government, even for terms of fifty years.

Of other measures dealing with the public lands in the West, only one has reached the stage of having passed both Houses.

It provides for stock-raising homesteads of 640 acres each, upon lands suitable for grazing but not for general agricultural purposes. The original homesteads on public lands were limited to 160 acres. Under reclamation projects units may be smaller. Since 1910 acquisition of tracts of 320 acres has been possible on lands suitable for dry-farming. Before the present bill came forward homesteads of 640 acres could be acquired only in western Nebraska. The trend of legislation regarding homesteads promotes occupation and utilization of such western lands as are still vacant.

The principle of leasing rather than transfer in fee appears not only in the water-power bill but also in the bill which deals with coal, oil, etc., on the public domain. This bill has passed the House, and is on the Senate calendar. Like other measures which have got so far along, it will have its chances of enactment during the winter.

It is altogether possible that some bills which have as yet made little or no progress will come forward

and occupy such attention as Congress can spare from appropriations.

These bills may deal with the relation of railways and their employees and represent the part of the programme which the President placed before Congress on August 29, but which was not included with the railway-wage law of September 3. Bills have been drawn by the Department of Justice. They postpone any strike or lockout affecting operation of the railways until there has been investigation and report by a public body, authorize the President in certain contingencies to

operate railways for military purposes, and instruct the Interstate Commerce Commission to consider increases in wages in deciding whether or not there should be increases in freight rates. Moreover, there is a bill increasing the membership of the Commerce Commission from seven to nine and allowing it to divide into groups for expedition of its functions; this bill has passed the House.

These measures the President said should be enacted at once. Nevertheless,

the time of their consideration in the next session seems uncertain, for the reason that on November 20 a joint Congressional committee will begin hearings upon the whole subject of railway regulation, and its chairman has indicated it will include the principles in these bills. According to the resolution under which the joint committee will act, it is to report before the middle of January,—a date which may prove rather late for legislation before the end of the Congress.

Legislation which is definitely awaiting a report by the joint committee includes regulation of the securities issued by railways. In this Congress as in the two earlier Congresses a bill has been reported from committee in the House.

Our relations with other countries may be touched upon also in legislation regarding immigration. A bill which revises and codifies a good part of the law on the subject of immigration has passed the House and has been before the Senate to such an extent that presumably there will be little more debate before the Senate votes.

The general revision contained in the bill is greatly needed, and commands rather general approval. The difficulty comes in one provision in the sixty-odd pages of the bill. In this provision ability to read is added to the tests which determine whether or not an alien may enter the United States. Bills setting up such a test have been passed by Congress and vetoed by the President in 1897, February, 1913, and January, 1915. The question has been before Congress for twenty years or more.

The Panama Canal has important relations to foreign trade and to domestic trade between the western and eastern coasts. Questions of tolls continue bothersome. In

1912 Congress decided American vessels in coast-wise trade should be exempt from tolls. In June, 1914, on the eve of commercial use of the Canal, Congress reversed its earlier decision. A new complication has now arisen, since the rules under which tolls are assessed in some instances cause payments beyond the limits fixed in present law, and to this

RAILWAY
INVESTIGATION

IMMIGRATION
BILL

PANAMA
CANAL



THREE HUNDRED COMMERCIAL ORGANIZATION SECRETARIES MET AT CLEVELAND LAST MONTH AND DISCOVERED THAT THEIR

extent the rules are not now in force. The resulting situation is officially declared to produce discriminations against American vessels to the advantage of foreign vessels. To remedy this situation it is proposed to declare the rules legal in all ways that they exceed existing law, and a bill has accordingly been reported from committee in the House.

A bill which will expressly authorize combinations for export trade, with limitations which are intended to prevent any retroactive effect upon internal trade and under supervision by the Federal Trade Commission, may be enacted very early in the new session. Failure of the Senate to pass the bill at the beginning of September, after the House had passed it by an overwhelming majority, gave the measure a degree of setback, since it must now be reported by committee in the Senate and take its place rather far down on the calendar of business. If Congress makes this bill law it will follow the precedents it has already established in permitting national banks to combine for foreign business and in legalizing combinations among American steamship lines that engage in foreign trade.

Plans which the Federal government should follow in preventing disasters from floods have given rise to a great deal of controversy. A bill which has passed the House and is now before a Senate committee deals only with the Mississippi and the Sacramento rivers, contemplating appropriations for the former at a rate not exceeding ten million dollars a year until the aggregate reaches forty-five million and for the latter at a rate not greater than one million a year until the total is

\$5,600,000. On the Mississippi the improvements would occur below the mouth of the Ohio and would follow the plans of the Mississippi River Commission.

Federal appropriations are now given to the States on a cooperative basis for a number of purposes. VOCATIONAL EDUCATION The latest provision of this kind, enacted in July, extends Federal aid for construction of public roads. A bill which adopts the same principle with regard to vocational education, making grants of money from the Federal treasury to match within certain limits expenditures by the States, has passed the Senate and is on the Speaker's table in the House, where an early attempt may be made to pass it under suspension of the rules.

As this bill passed the Senate it was altered in some ways which bring it nearer than it was to the principles suggested in a referendum of the National Chamber. It still provides for a governing board of Cabinet members, however.

Other proposals which may come forward range from an increased measure of autonomy in the government of Porto Rico to appropriate facilities for registering and protecting novel designs and a general requirement of truthfulness in labels which are placed upon merchandise of any kind entering interstate commerce. The attention given in the first session of this Congress to bills dealing with the army and the navy, and sources of revenue, may cause special effort in December to consider subjects of general legislative importance. In this event, Congress will have many important bills, already past the first committee stage, among which to pick and choose.

Sighting a New Profession

NO greater opportunity to serve an entire community, with a wider range of interests, calling for more intimate knowledge of men and affairs and greater mental resourcefulness, than is yours," said William George Bruce, retiring president, to 300 commercial organization secretaries who got together in Cleveland during the week of September 25 and around this challenge to a professional standing the discussions pointed throughout the sessions.

President Wilson says there is a time "when a man comes to himself." It is doubtful if any secretary, who had not already sighted the professional aspects of his position went back home without a higher regard for his work and its possibilities.

This might be called the keynote of the convention. It was accentuated when Professor Alfred Leslie Smith of the Amos Tuck School of Commerce suggested a university course of study for prospective commercial secretaries.

George E. Foss, secretary of the Springfield (Mass.) Board of Trade, discussed the question from the viewpoint of the secretary and his report was received with great attention. Members seemed to agree that while a college could not turn out a full-fledged secretary it could at least give him the preparatory training such as is accorded doctors, lawyers and engineers.

The round-tables discussed small town problems, festivals, community celebrations, charities, and methods of increasing membership. There were equally valuable discussions on industrial development, essentials of a home products exposition, how to stimulate directors and committees; and factors in retail mer-



JOBS HAD ALL THE EAR-MARKS OF THE STANDARDS SET FOR THE TIME-HONORED PROFESSIONS OF LAW, MINISTRY AND MEDICINE.

chants' problems. Colvin B. Brown of the National Chamber told the meeting of the Organization Service Bureau of the Chamber and urged secretaries to make the fullest use of it. Secretaries Baker and Houston of the President's Cabinet addressed the Convention.

In every way the meeting was successful. The direct benefit to each member was the information he gained. The indirect benefit—and perhaps the greater—was the inspiration that comes when men engaged in the same line of work get together and fraternize. They evolve a social consciousness, become less inclined to narrowness which isolation brings, and attack problems with re-

newed energy in the thought that others are meeting similar problems.

Mr. James A. McKibben, Secretary of the Boston Chamber of Commerce, is the new president of the Association. Mr. Howard Strong of the Minneapolis Civic and Commerce Association was elected 1st vice president, W. C. Culkins, of the Cincinnati Chamber of Commerce, 2nd vice president, and J. M. Guild, Secretary of the Greater Dayton Association Secretary and Treasurer. The directors are Fred C. Butler, Jamestown, N. Y.; J. P. Hardy, Fargo, N. D.; William Kennedy, Joliet, Ill.; O. B. Town, Kalamazoo, Mich., and Roland B. Woodward, Rochester, N. Y.

At home the best forestry laws perhaps in all the world are rigidly enforced. This law, among other things, requires that for every tree removed, no matter where, in the forest, in the front yard, or in the back yard, another tree must be planted. Fire protection is of the best. Yet the Germans in a new land were doing the very same thing that the European settlers have done in the United States. They "wasted" the forests of Southwest Africa. One might suppose that a people going to a new land would take with them their native laws. Why should men carry laws of densely populated regions into areas where they may have all they desire without a struggle? Has any group of people ever pursued this policy?

We are told that we waste our soil by producing from it as much as possible and then moving to a new plot. The Europeans do not practice such wanton destruction. Imagine a group of settlers entering the valley of the Red River of the North. They produce large crops on the same farms year after year. After a time the crop begins to decline due to the failure to rotate. Which would seem most natural at this juncture, to experiment on the soil to try to increase its productivity, or to move to the unlimited unoccupied lands all around that may be had for the asking?

Our roads are bad. What magnificent roads Europe has. Did we have Romans to initiate our road work many centuries ago? Is the problem of completing a network of good roads in a country of 3,000,000 square miles as simple as in a region of 20,000 square miles, the area of some of Western Europe's larger countries? We are building roads; perhaps not as rapidly as we might, but, nevertheless, fairly rapidly. We are progressing.

We waste paper that might well be manufactured into rags or used again for paper; we let smoke go up chimneys, that ought to be burned; we throw away slag that should be converted into cement; we discard by-products from coal and coke that, instead, should be converted into dyes. The list of "foolish" wastes is a long one. Let us ask whether we have not at least started to stop this wastage? The answer is very positively in the affirmative. It will not be long before we will be using them all. However that time can not arrive until there is a demand for them all.

Reactions From Our Readers

Men Whose Opinions are Worth-While, Make Pertinent Comment on Subjects Presented by THE NATION'S BUSINESS

IS AMERICAN WASTE JUSTIFIABLE?

To the Editor: Secretary Redfield's interview on waste in the August number of THE NATION'S BUSINESS is of great interest to me, because I have been watching rather carefully the various expressions of the men of affairs with regard to the status of the American business man.

I spent three months in Europe nine years ago and again in 1913 studied at the University of Leipzig. Having always been concerned with welfare work I naturally looked into conditions in some of the foreign countries. I felt at that time, as I do today, that I should like to tour the country to speak to the masses upon the opportunities that await them here in contrast with the lack of them across the seas.

Many leaders in American life as well as countless numbers of less prominent citizens and non-citizens apparently take delight in their worship of European methods. They decry our careless waste of property and human lives. These essays on the "Ap-

proach to the Goal of Ruin" come so frequently, that one, bewildered and dazed, asks himself whether he ought not, perhaps, pick up his home and move to a land of more promise.

Is it not time that we stop this self-ridicule and indulge in more wholesome constructive criticism? The United States is a country still in its infancy. Its resources, so vastly greater than those of any other advanced nation of the world, are still only partially developed. But we are wasting these resources, is the great cry. See the Germans, the French, the Swiss and all the other peoples! They conserve their resources and enrich them. How many have ever inquired whether these foreigners obey their native laws when exploiting new lands? Let us note the Germans for a moment. In 1913, I heard speakers in Germany berating the colonists for not adopting the forestry laws of their native land. The Germans in the South African possessions were clearing the forests indiscriminately; the end was in sight; a shortage of lumber was certain.

Iron ore when first mined in the Lake Superior Region ranged from 60% to 85% pure; 35% to 40% ore was not considered. Today low grade ore is mined because the high grade is no more. The day may come when 5% and 10% ore will be gladly mined. Still we should not criticise ourselves because we do not mine it now. The market prices prohibit the expense entailed in refining such low grades of ore.

European countries use peat for many purposes and to very good advantage. We have thousands of acres of very fine peat. Why don't we use it, as the Europeans do? Because our economic conditions do not as yet demand it.

I would not for a moment belittle the progress attributed to the European Powers; but I would condemn very severely those persons who continually find the opportunity for criticising the American business man by showing his faults in the light of the European's virtues. The business man of the United States undoubtedly has much to learn, but he also has the capacity for doing things equal to that of any other man on earth. He not only has the capacity, but he is utilizing it. In the words of a professor of the University of Leipzig who lectured before the Leipziger Volksverein on "Germany in the World's Markets," "the American business man is the cleanest cut, shrewdest and most alert business man of the world."

Compare the United States with European nations as they were related to each other 25 years ago and compare them today. Have we faltered? Who can say what the comparison will show 25 to 50 years hence? Conditions may be bad here, but they are golden as compared with those in other parts of the world. The American citizen needs to recognize his faults, of course, but he needs to look toward the solution of his problems with respect to conditions as he finds them at home and not as they are elsewhere. He needs to encourage his fellow countryman by pointing to the progress which he has made and the opportunities that lie before him. He needs by all means to stop falling on his knees before the antiquated shrine bearing the inscription, "See What Europe Does". When the density of the population in the United States is as great as it is in most European countries we shall have accomplished such wonders as will make the present seem like the Stone Age of civilization.

Duluth, Minn.

EUGENE VAN CLEEF

SEES A DOUBLE GOOD IN THE NATIONAL REFERENDUM

To the Editor: The founders of the National Chamber built better than they knew. They have rendered a service to the country at large which, being aside of the main purpose, was probably not originally contemplated by them, nor even remotely anticipated by them. Their democratic plan of organization, has unconsciously infused a new life, impetus and meaning to the local commercial bodies throughout the United States.

The commercial organization, hitherto insular has been given a wider range of vision upon the needs of a whole country, and at the same time a better perspective upon its own scope, mission and function, and a community's business men, called upon to voice their judgment upon vital national problems have had their conscience and patriotism aroused to a high degree.

The National Chamber, by its referendum, has demonstrated that, when problems of national import are presented without political prejudice and partisan rancor, the

American business man invariably records a solution which is sound and just. The individual, here and there, may be narrow and selfish, but the collective business man who has been permitted to express himself through the referendum rises to the full measure of American citizenship and provides enlightened statesmanship with a new and dependable ally.

With the advent of the referendum, and its attendant diffusion of information on measures pressing for solution in the halls of Congress, with reliable facts from the several administrative departments, a more intelligent interest and scrutiny has been awakened. The pre-election campaign speeches, and editorials, which heretofore constituted the main source of information on governmental policies and measures, will in the future have to assume less color and more substance in order to carry conviction.

The information constantly and continuously provided by the Chamber, in and out of campaign periods, enlightens the business man on the relations on government and commerce, and renders him less susceptible to unwarranted statements of politicians and political parties. The politician, too, realizes that the business man of today is much better informed than he ever was.

The men, therefore, who conceived the Chamber of Commerce of the United States of America, and made it a vital force in the life of the nation, performed, aside from the practical ends they have attained, a great patriotic service. They not only constructed an instrument which serves as a powerful connecting link between government and commerce, but they have stimulated, to an unusual degree, the conscience and patriotism of an important fraction of the American people.

Considering the magnificent service which the Chamber of Commerce of the United States is rendering to its membership, I am certain that no commercial body, worthy of its name, can adequately fulfill its obligations either to community or to country without an organic connection with the national body and without a practical utilization of the resultant benefits which such connection confers upon its constituent parts. The modern commercial organization must move with the currents of our national life, concern itself actively with its needs and its problems in order that these may be adequately and wisely met.

Only through the virtue and strength of the integral parts can the efficiency of the whole be attained. The national body must generate and diffuse that vibrating force which gives a new zest and momentum to every center of population, and by reciprocal action secure its own prestige, power and efficiency. The local body must strive to become the medium through which the best impulse in our American political and economic life is fostered and realized. The nation's best ideas must become the ideals of every community.

WM. GEO. BRUCE

Milwaukee, Wis.

OUR TRADE TO THE SOUTH OF US

To the Editor: The rather slow and go as you please manner in which we choose to view the relations and trade generally of the three Americas has so irked me that I set down the enclosed observations.

"How are we to hold the business we have acquired in Latin America and legitimately increase it," is worrying more than one prominent American financier.

By sitting back and letting our international commerce work out its own salvation without due backing, it will surely die

of inanition. And this will be doubly true as soon as the war closes. Is it then, not logical to suppose that those millions of men now fighting, will prove as worthy contestants when called on to fight in the ranks of commerce? And especially is this so, when we have become their active rivals in reaching out for the 2,000 millions of Latin American trade.

Dare we forget that even during this war, there are countries in Europe which have never ceased manufacturing and storing goods of every conceivable kind against the day when they can export the same to the Americas?

Furthermore, that at this very moment there is more than one of the warring European nations working in Latin America not only to retain financial and commercial relations there, but to make it certain that the United States does not get more than a modicum of future business in the South?

There have been epochs in our country where over-production has caused serious crises which worked hardships on the people for years at a time; such panics may recur if we do not find a permanent and legitimate outlet for our surplus manufactures and the products of field and mine.

Let the Commissioners we send to those countries be fully equipped with the Spanish language (and Portuguese for Brazil); with thorough knowledge of the peoples, laws and customs of that score of republics. In fact, such important representatives *must never be smatterers*. There is practical truth in what Commissioner Warburg recently said about the danger to be found in the merely "glib" ones, when referring to Latin America. In fact, the "glib" ignoramus has already done enough harm to those Southern countries. With the world war and its consequences, we have come to the parting of the ways. Who, now, but our staunchest citizens, thoroughly equipped, can possibly hold our own in the coming clash over interests of a thousand kinds, which Europeans now hold or are attempting to hold, in the score of Southern nations. Is not this a most worthy field for preparedness?

With regard to the foregoing, let us not forget that there are vast treasures of raw material in Latin America which must be developed into the "wherewith" to purchase goods from us. Our investors and capitalists generally must see to it that the necessary railroads be built and equipped; that we take advantage of the vast navigable rivers; that the mines of copper, gold, silver, tin, emeralds, nitrates and many other minerals be exploited, as well as to help our Southern neighbors to increase their exports of cattle, wool, coffee, sugar, cacao, quebracho, dye-woods and an infinite number of other products which go to make up the wealth of those wonderful lands.

Preparedness, then, must not only be for possible war but for the especial work coming with peace. Let us be men, then, and face the naked truth, that after the "boom" there must be a reckoning, and that nothing less than honest, first-class work from every one of us, big and little, young and old, will help us to hold our own against a sternly prepared and efficient group of world-nations.

It is then, in South and Central America that we can find a most worthy field for American enterprise, hard work, capital and talent all combined. But, delay will surely be fatal; other nations and other races also know where the treasure-house is to be found.

For us, it is today or never.

JOHN RICE CHANDLER

Ridgewood, New Jersey

A Small Town Commercial Club

told us the other day that it was too small to be of assistance to the National Chamber or to receive benefit from it. It is mistaken on both points.

Point One: The National Chamber is organized to procure and make effective the opinion of the business men of the country on questions of national policy and legislation. Its power to do this would be nullified if it were composed of only big city chambers; its strength lies in the distribution and democracy of its membership.

This same small town commercial club assures its "smallest" business man that his membership is necessary to the full strength of the local chamber; that *its* power would be nullified if it were composed of only the big firms. And without doubt it assures the "smallest" business man that his financial assistance in building up the community is unimportant compared with his cooperation, influence and counsel.

Point Two: A direct service is rendered the small town commercial club by the Organization Service Bureau of the National Chamber which gathers, tests, classifies and distributes information about the methods of successful commercial organizations. Here are some voluntary acknowledgments of this service, most of them from the smaller cities and towns and all received within the last two months:

We have found the service rendered this office by your Bureau of invaluable aid to us.—*Raleigh, N. C. Chamber of Commerce, September 15, 1916.*

The information you give us is exactly what we wish. The writer cannot refrain from expressing his deepest appreciation of the excellent work which is being done by your Organization Service Bureau in collating such information as this. We feel that this service alone is worth the entire cost of our membership.—*Canton, O. Chamber of Commerce, September 11, 1916.*

We want to congratulate you on the efficiency of your department. In the past it has been necessary for commercial executives to send out a series of questionnaires in order to get such information as we are now able to obtain from your office.—*Troy, N. Y. Chamber of Commerce, September 1, 1916.*

The information you have furnished is highly appreciated and will prove of real value to us in our consideration of these problems.—*Syracuse, N. Y. Chamber of Commerce, August 19, 1916.*

Your three letters with reference to bill-board regulations, model set of by-laws and manner of conducting convention bureaus are very explicit, complete and helpful.—*Wheeling, W. Va. Commercial Association, August 30, 1916.*

Please accept our thanks for the comprehensive information covering the operation of traffic bureaus.—*Owensboro, Ky. Industrial Club, September 4, 1916.*

Please accept my sincere thanks for the information on the subject of credit bureaus. It contains just what I desire.—*Laramie, Wyo. Chamber of Commerce, August 4, 1916.*

I thank you very much for your complete report of the industrial survey schedule and the standardized commercial organization by-laws. They will be of great service to me.—*Manchester, N. H. Chamber of Commerce, July 19, 1916.*

The Service Bureau recently established by the National Chamber is worth more to a Secretary than ten times the cost of membership in the National body.—*Syracuse, N. Y. Chamber of Commerce.*

You certainly are giving me a service which is of great value and deeply appreciated. I want to thank you for giving us such complete information relative to membership dues.—*Oswego, N. Y. Chamber of Commerce, July 21, 1916.*

I want to thank you for the very complete information which you have been able to give me with reference to members' councils. We assure you that we appreciate this very much indeed.—*Dayton, O. Greater Dayton Association, August 4, 1916.*

Your service bureau of the Chamber of Commerce of the United States has given us a real service, first class in every way and very rapid. Let us say again we appreciate it greatly.—*Missoula, Mont. Chamber of Commerce, September 18, 1916.*

The information covering the matter of plural memberships will be of great value in presenting arguments to our local business organizations urging their larger support of the Chamber of Commerce.—*Cincinnati, O. Chamber of Commerce, May 23, 1916.*

Perhaps the reason may be found here why the National Chamber is now composed of 822 organizations—a majority of them small town commercial clubs—representing a membership of 345,000 firms and individuals.

THE CHAMBER OF COMMERCE OF THE UNITED STATES

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AND certain literary persons gathered together, saying: Let us write stories and plays for the tired business man whose life is a monotone of toil and worry and deadly routine. Let us make for him Romance, a pretty youth waging battle for a maiden's heart, on a warship in a South Sea port, surrounded by bluejackets, who, after a change of costume, become ball-room belles in the second act—

When, lo! at the very moment the literary persons are manufacturing Romance the business man is fighting to get an alarm clock through to the fastnesses of the Himalayas; laying deep strategy to change a people's age-old ideas as to the clothes they wear; contesting with the jungle for a banana plantation; advancing by siege and parallel on the forests of Yucatan to capitalize an American idiosyncrasy; conquering wildernesses to bring the fire of Prometheus on pine splinters to all the world—

And the tired business man, yawning over the book or play fabricated for him, goes serenely to sleep.